

Economic & Financial News

Research & International Division

2/8/2014

*... Youth unemployment in Turkey, lower than average in Eurozone, at 15.5% ...
... Russia to introduce consumer tax to help stuttering economy ...*

South East Asia

Tea production in Indonesia needs to be stimulated, with reduced availability of land hampering productivity, the Agriculture Ministry said. Land conversion of tea plantations has reached a high level of 2,000 hectares per year in the last five years, resulting in a decline in the country's tea output to 146,682 tons last year from 156,604 tons in 2010.

Thais who are bequeathed fortunes by their wealthy relatives would have to start paying an inheritance tax under a Finance Ministry proposal that has already been blessed by the ruling National Council for Peace and Order (NCPO). The Ministry also has floated two taxes on real estate and beverages.

Thailand's rice exports may have touched 900,000 tonnes in July after surging 59.2% in the first half of this year, given its lower prices than rivals' and tightening rice supply in Vietnam, said the Thai Rice Exporters Association.

Investment pledges approved by the Philippine Economic Zone Authority (Peza) rose by 30.8% to P127.5 billion in the first seven months of the year as foreign companies continued to invest and set up facilities in the country.

Lending by universal and commercial banks rose 20.1% to P4.02 trillion in June from a year ago, the Bangko Sentral ng Pilipinas (BSP) reported. BSP data showed the bulk of loans went to production activities, which expanded by 17.7% in June from 19% in May.

Viet Nam gained a y-o-y increase of 13.4% in the value of exported wood and wooden products. According to the Ministry of Agriculture and Rural Development, exported wooden products were valued at US\$3.35 billion during the first seven months of this year.

Cambodia exported 42,189 tons of dry rubber from January through June, according to the latest figures from the Ministry of Commerce, up 42% compared to rubber exports during the first half of 2013. Despite the jump in exports, revenue from half-year rubber exports fell nearly 2%, from US\$76.5 million to US\$75 million.

North East Asia

China's central bank will keep up reasonable growth in credit and social financing and fine-tune its monetary policy in a timely way, the central bank said. Worried by a slowdown in the economy in the first quarter, China began easing policy in April by cutting taxes, hastening investment, and lowering the reserve requirement for some banks.

Employee wages in Japan rose 0.4% in June from a year before, marking the fourth straight month of increase. Wages averaged ¥437,362. The growth was mainly spurred by many companies agreeing to raise pay scales as part of *shunto* management-labour spring wage negotiations.

South Korea's exports grew from a year ago last month with imports also rising at a similar pace. Outbound shipments amounted to US\$48.42 billion in July, up 5.7% from the same month last year, according to the Ministry of Trade, Industry and Energy.

South Korea's consumer prices grew at the slowest pace in three months in July due to stable prices of vegetables and livestock. The country's CPI rose 1.6% last month from a year earlier, decelerating from June's 1.7% gain, according to the report from Statistics Korea.

Middle East and North Africa

Saudis spend SR40 billion on Eid Al Fitr, the feast marks the end of the fasting month of Ramadan. According to economists, Saudis spent SR10 billion on travels and recitation and SR10 billion on meat for the occasion and social gatherings.

Youth unemployment in Turkey is 15.5%, much better than the average of 23.1% recorded among 18 Eurozone members, according to the European Statistics Office. Only five Eurozone members have lower rates than Turkey.

Eastern Europe

Russia is to introduce consumer tax to help stuttering economy. The levy will be applied on a region-by-region basis, allowing each administrative district to decide on a sales tax of up to 3% to make up for budget shortfalls, which the Finance Ministry estimates

will reach up to 1 trillion rubles (US\$27.99 billion) in the next three-year budget.

Western Europe

Germany's jobless rate remained steady at 6.7% in July, unchanged for a fourth month, seasonally adjusted official data showed. The number of unemployed fell by 12,000 after rising in May and June.

Sales of new cars in Spain rose by 10.9% in July on a y-o-y basis. The number of purchases stood at 83,223 in July 2014 compared to 75,027 purchases of a year earlier. Purchases made by individuals rose by 14.3% to 50,324, while firms purchased 20,669 vehicles in July.

North America

Some 209,000 new jobs were added to the U.S. economy in July, and the unemployment rate was little changed at 6.2%. The non-farm payroll employment posted the sixth consecutive month with job gains above 200,000. The labour force participation rate was at 62.9%, and it has been essentially unchanged since April.

U.S. consumer spending increased 0.4% in June on a seasonally adjusted basis following slower increases of 0.3% in May and 0.1% in April. That was the best showing since a 0.8% surge in spending in March, which reflected a rebound after a harsh winter had kept consumers from the malls and auto showrooms.

The U.S. construction spending fell sharply in June, as both private and public construction dropped, the Commerce Department said. Total construction spending fell 1.8% to a seasonally adjusted annual rate of US\$950.2 billion in June, the sharpest decline since January 2011.

Canada's strong May wholesale trade numbers indicated a reacceleration for the overall economy after April's disappointing performance. GDP grew a seasonally adjusted 0.4% month over month in May, or 2.3% y-o-y.

South America

Brazil's industrial production in June dropped for the fourth straight month as demand cools at home and in Argentina, a major export market. Production fell 1.4% after contracting a revised 0.8% in May, the national statistics agency said.

Chile's jobless rate rose in the three months through June from the year earlier as economic growth slowed to the weakest pace in four years. The unemployment rate climbed to 6.5% from 6.3% in the month-earlier period and from 6.2% a year earlier, the National Statistics Institute said.

Oil & Gas News

Brent for September settlement decreased \$1.18, or 1.1%, to \$104.84 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for December delivery rose 0.9% to settle at \$1,294.80 an ounce at 1:43 p.m. on the Comex in New York.

Cotton for December delivery fell 0.2% to 62.76 cents a pound on ICE Futures U.S. at 1:18 p.m. in Beijing.

Currency News

Asian currencies completed their biggest weekly decline in three months as data signalling a strengthening U.S. recovery boosted demand for the dollar. The baht and the ringgit each fell 1.2% to 32.230 per dollar and 3.2133, respectively.

The pound fell 0.3% to \$1.6836 at 4:37 p.m. London time after touching \$1.6814, the lowest since June 12.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-Jul-14	1,307.22	3.78	108.39	28.67	1.67	2.11	1.24	0.86	9341.43	81.99	2.56	34.93	25.67	3,350.17
02-Aug-14	1,293.75	3.80	104.84	27.59	1.67	2.11	1.25	0.86	9432.18	82.43	2.57	35.00	25.81	3,344.42
% Change	-1.03	0.53	-3.28	-0.02	-0.09	0.58	0.65	0.97	0.53	0.23	0.19	0.53	-0.17	

Economic & Financial News

Research & International Division

5/8/2014

*... More than 2.2 million tourists visited Cambodia in H1 of this year ...
... India accounts for nearly 42% of total gold and silver leaving Switzerland shores ...*

South East Asia

Brunei's insurance assets rose in the Q1 of 2014 as different types of products registered an across-the-board increase, according to data issued by the Autoriti Monetari Brunei Darussalam (AMBD). Insurance and takaful assets rose 3.8% on year to B\$1.364 billion in the Q1 of 2014, said AMBD. Assets for conventional insurance totalled BN\$920 million by the end of Q1 of 2014, or 2.6% higher than last year's.

Indonesia's trade balance swung to a slim deficit in June as imports of food and clothes rose ahead of the Islamic holy month of Ramadan and Eid holiday. The deficit in the country came in at US\$305 million, compared to a slim surplus of US\$70 million the previous month, the national statistics agency said.

Indonesia's mineral exports dropped 27% in the first half of this year compared to the same period last year due to the ban on mineral ore shipments, the Central Statistics Agency revealed. Mineral exports totalled US\$11.38 billion from January to June of this year, down from US\$15.6 billion in the first half of 2013. The government has banned the exportation of unprocessed mineral ore in a bid to stimulate the growth of the downstream industry.

Malaysia saw tremendous growth in China's investments in Malaysia's manufacturing sector in the past five years. Malaysia Investment Development Authority consul (investment) said it went up from RM300 million five years ago to RM3 billion last year.

Philippines consumer prices rose by 4.9% last month, the highest since the 5.2% recorded in October 2011, preliminary data released by the Philippine Statistics Authority. The July 2014 result was higher than the 4.4% and 2.5% recorded in June 2014 and July 2013 respectively. This was mainly due to the jump in the growth of the heavily-weighted food and non-alcoholic beverages index.

The domestic steel market in Vietnam has continued to be quiet as consumption is at a low level, said the Ministry of Industry and Trade. Raw steel output in July reached 311,300 tonnes, representing 21% y-o-y increase. Rolled steel was 295,500 tonnes, rising 18% over the same period last year. Steel imports in the period rose 5.8% in terms of quantity and reduced 1.2% in terms of value.

More than 2.2 million tourists visited Cambodia in H1 of this year, a 5.2% increase over the same period in 2013, according to Ministry of Tourism figures. The country sending the largest number of visitors was Vietnam, followed by China and Korea.

North East Asia

The People's Bank of China (PBOC) warned the country's credit and money supply have increased rapidly and indicated it will refrain from broader monetary easing to support growth. The IMF said this week that China's reliance on debt and investment has created "rising vulnerabilities" and that failure to change its growth pattern increases the likelihood of a sharp economic slowdown.

Japan's monetary base grew 42.7% in July from a year earlier to ¥243.11 trillion, the central bank said. The average daily balance of the money that the BOJ provides to the economy, such as cash in circulation and the balance of current account deposits held by financial institutions at the bank, increased for the 27th straight month.

South Korea topped the list of wage gaps between men and women among advanced countries with the gender pay gap hardly narrowing over the past decade. According to the data compiled by the Organization for Economic Cooperation and Development, South Korea's wage gap by gender stood at 37.4%, the highest among the 11 OECD member nations surveyed, as of 2012.

Australasia

Australia's seasonally-adjusted trade deficit narrowed by AU\$320 million, to A\$1.7 billion in June as lower imports and higher rural exports and volumes helped offset soft prices for iron ore and other minerals. The Australian Bureau of Statistics said the country exported A\$26.6 billion worth of goods and services in June, up slightly on the seasonally-adjusted total for May.

10,313 new vehicles were sold last month in New Zealand, up 10% from the same time in 2013. Sales are also up 13% for the year to date - this time last year, there were 8594 fewer new cars had sold, the Motor Industry Association showed. A lift in the number of people buying big ticket items, such as cars, showed a positive outlook for the economy.

Indian Sub-Continent

India now accounts for nearly 42% of total gold and silver leaving Switzerland shores – largest for any single country. According to the latest official data from the Swiss government, its total export of gold, silver and coins in the month of June 2014 stood at SFr3.9 billion out of which India alone accounted for SFr1.63 billion. The gold exports to India in January 2014 stood at less than SFr1 billion, but has been consistently rising since then.

Middle East and North Africa

Saudi Ministry of Labour is asking the government to spend SR14.9 billion annually on labour market reform and steps to move Saudi citizens into private sector jobs. The goal of labour policy is full employment of the Saudi workforce, a report stated.

The total value of Omani exports, which includes oil and gas, non-oil products and re-exports, registered a decline of 7.9%, totalling OMR 5.14 billion by the end of Q1 2014, compared with OMR 5.58 billion registered during the same period in 2013.

Turkey's inflation rate for July rose by 9.32% y-o-y, the fourth consecutive month above 9% in the year, the Turkish Statistical Institute (TurkStat) said. The rise in July CPI was mainly due to hovering food prices caused by recent drought across the country, said analysts, adding the Q2 was the worst for food prices in history.

Eastern Europe

Russian consumer inflation slowed slightly in July although remained far above the central bank's target range. The central bank has vowed to bring stubbornly high inflation under control to pave the way for financial stability. Consumer prices rose 7.5% on the year in July after surging 7.8% in June, the fastest pace since August 2011, the data showed.

Western Europe

Portuguese authorities are providing €4.9 billion in an emergency rescue to prevent the collapse of ailing bank Banco Espirito Santo, one of the Eurozone country's oldest and biggest financial institutions. Bank of Portugal's governor, Carlos Costa said the money will come from a special fund set up during the Eurozone's recent financial crisis.

Oil & Gas News

Brent for September settlement rose 5 cents to \$105.46 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery was at \$1,288.76 an ounce at 9:26 a.m. in Singapore from \$1,288.25 yesterday.

Silver for immediate delivery traded at \$20.2140 an ounce from \$20.1646 yesterday. Prices earlier dropped to \$20.146.

Currency News

The Australian dollar fell 0.2% to 93.21 U.S. cents as of 11:27 a.m. in Tokyo after rising 0.4% over the previous two sessions.

The ringgit has appreciated 0.5% since its close on Aug. 1 to 3.1947 per dollar as of 10:08 a.m. in Kuala Lumpur.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
02-Aug-14	1,293.75	3.80	104.84	27.59	1.67	2.11	1.25	0.86	9432.18	82.43	2.57	35.00	25.81	3,344.42
05-Aug-14	1,288.88	3.84	105.65	27.51	1.67	2.10	1.25	0.86	9424.18	82.37	2.57	35.04	25.79	3,325.99
% Change	-0.38	1.05	0.77		0.10	-0.46	-0.18	-0.13	-0.08	-0.07	0.03	0.13	-0.06	-0.55

Economic & Financial News

Research & International Division

6/8/2014

*... Australia's central bank held interest rates ...
... Eurozone's seasonally-adjusted retail trade volume increased ...*

South East Asia

Indonesia's GDP expanded 5.12% in Q2, after growing 5.21% in the previous quarter, the National Statistic Bureau announced. The Indonesian economy grew 6.2% in 2012, 6.5% in 2011, and 6.5% in 2010.

Singapore's life insurance industry posted a 10% drop in new business sales to S\$660.3 million in Q2, due mainly to a high base for annual premium products last year.

Malaysian interest-rate swaps advanced to 3.7% since Bank Negara Malaysia (BNM) became Southeast Asia's first central bank to tighten policy this year. The odds that BNM will increase borrowing costs at least once more this year are providing Asia's best carry-trade returns in the ringgit.

Vietnam PM Nguyen Tan Dung pledged to offer tax extensions and simplify payment procedures on the heels of more bad news about business closures and suspensions. The Ministry of Investment and Planning reported that the number of businesses who either declared bankruptcy or suspended their registrations hit 37,612 in the first seven months this year, up 9.8% from the same period last year.

Vietnam needs US\$500 billion for its infrastructure development in the next 10 years, a senior official at the Ministry of Planning and Investment has said. The amount is needed for investing in various infrastructure projects including those for building, upgrading or repairing seaports, airports, and electricity and water supply systems.

North East Asia

China's machinery industry continued to recover with rising profitability in H1 2014 following moderate growth last year. The China Machinery Industry Federation report said aggregate profits across the sector increased 19.6% to US\$115.9 billion for the first six months of 2014, compared with an average 15.6% growth in the whole of 2013.

Japan's food self-sufficiency rate remained at 39% in fiscal 2013, which ended in March, for the fourth straight year, the farm ministry said. The rate remained at the second lowest level on record after the 37% in fiscal 1993, mainly because supplies of wheat and soybeans fell due to unfavourable weather.

South Korea's foreign reserves maintained a record-breaking trend for 13 months in a row, raising the total reserves this year by more than US\$20 billion. Foreign reserves reached a new record high of US\$368.03 billion at the end of July, up US\$1.48 billion from a month earlier, according to the Bank of Korea.

Taiwanese inflation rose 1.75% y-o-y last month, the biggest jump in 17 months, driven by growing food and fuel costs, the Directorate-General of Budget, Accounting and Statistics said.

Australasia

Australia's central bank held interest rates at a record low of 2.5%, marking a year since it last loosened monetary policy as it seeks to boost non-mining growth. The central bank also said investment spending in the resources sector was starting to decline "significantly" and noted the strength in the local currency.

New Zealand's unemployment rate fell to a five-year low of 5.6%, as employment growth in Canterbury fuels the labour market. The unemployment rate for the three months ended June 30 fell from a revised 5.9% in Q1.

Indian Sub-Continent

Reserve Bank of India to keep its key rate, the repo rate, unchanged at 8%. The cash reserve ratio is also held unchanged at 4%, but warned about inflationary risks should a shortfall in monsoon rains spark a surge in food prices.

Middle East and North Africa

Egypt plans to build a new channel parallel to the Suez Canal in a US\$8.4 billion venture to boost capacity at the vital global waterway, marking a new era of regeneration after the 2011 revolution.

The UAE's non-oil private sector companies continued to report a sharp rise in output in July with a strong rise in new orders and new export orders, according to the PMI. July data signalled a further strong improvement in operating conditions in the UAE's non-oil producing private sector. The headline index posted at 58 during the month, down marginally from 58.2 in June. The reading was well above the long-run series average.

Eastern Europe

Poland may lose at least US\$700 million in 2014 if Russia expands the list of food products banned from being imported into the country, Poland's Deputy PM and Economy Minister Janusz Piechocinski said. Polish exports to Russia will fall by 20% and Polish exports to Ukraine will decrease by 40% this year, according to Piechocinski.

Western Europe

Tough new economic sanctions against Russia will hurt Germany's economy but they are necessary for the sake of peace in Europe, Vice Chancellor Sigmar Gabriel said. The EU imposed sanctions that took effect targets Russia's banking, defence and energy sectors because of Moscow's support for pro-Russian separatist rebels.

Eurozone's seasonally-adjusted retail trade volume increased 0.4% m-o-m and 2.4% y-o-y in June, Eurostat said. The 0.4% gain resulted from a 0.5% rise in the food, drinks and tobacco category, a 0.3% growth in the non-food sector, and a 0.1% drop in auto fuel.

Prices in British shops fell last month at the fastest rate since records began seven-and-a-half years ago, the British Retail Consortium (BRC) said, marking 15 months of sinking prices. The BRC said retail prices were 1.9% y-o-y in July, after falling 1.8% in June.

Portugal's jobless rate fell for the fifth consecutive quarter to 13.9% in Q2, from 15.1% in Q1, a new sign of economic growth this year after a long recession. The unemployment rate was also much lower than 16.4% recorded in the same period a year ago.

North America

New orders for US factory goods rose 1.1% in June, after a downwardly revised 0.6% decline in May, as demand increased across the board, pointing to a strengthening in manufacturing activity, the Commerce Department said.

Mexico's consumer confidence index declined in July, signalling that the economy is struggling to recover from the weakest growth in four years. The index fell to 90.5, from 91 the month before. The drop is the first since January, when President Enrique Pena Nieto's government raised the sales tax in areas along the US border to help wean the federal budget off oil revenue.

Oil & Gas News

Brent for September settlement climbed as much as 34 cents, or 0.3%, to US\$104.95 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery rose to US\$1,289.52 an ounce at 9:05 a.m. in Singapore, from US\$1,288.78 yesterday.

Currency News

The US dollar rose 0.1% to US\$1.3367 per euro as of 11:17 a.m. in Tokyo from yesterday, when it touched US\$1.3358, the strongest since November.

The Canadian dollar depreciated to as low as C\$1.0977 per US dollar, the weakest since May 5, before trading down 0.5% at C\$1.0962 at 4:31 p.m. in Toronto.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Aug-14	1,288.88	3.84	105.65	27.51	1.67	2.10	1.25	0.86	9424.18	82.37	2.57	35.04	25.79	3,325.99
06-Aug-14	1,290.32	3.89	104.91	26.97	1.67	2.10	1.25	0.86	9419.74	82.37	2.56	34.97	25.80	3,316.42
% Change	0.11	1.30	-0.70		-0.09	0.16	-0.06	0.04	-0.05	0.00	-0.28	-0.21	0.03	-0.29

Economic & Financial News

Research & International Division

7/8/2014

*... Bank of Thailand holds benchmark rate at 2% ...
... Canada's economy gets boost from solid trade surplus ...*

South East Asia

Thailand's central bank kept its key interest rate steady at 2%, betting that a pickup in U.S. activity and a firmer domestic outlook following a military coup in May will suffice to propel the local economy. Thailand's economy is likely to have contracted in the Q2, pushing the country into a technical recession after a 2.1% contraction on Q1 2014.

More than 50,000 openings are available on the Singapore government's online job portal for Singaporeans and Permanent Residents. This is three times more than what was available last month, when the portal was officially launched on July 14. Of these, more than 60% are PME-level positions, which are for those with at least a diploma.

Vietnam delivered some 3.617 million tons of rice worth US\$1.56 billion to the world market in the first seven months of this year, down 10.78% in volume and 10.27% in value, said Vietnam Food Association (VFA). In addition, Vietnamese companies have signed contracts to ship more 2.102 million tons of rice overseas.

Cambodian PM Hun Sen said that the country's economy is forecast to grow by 7.5% in 2014, driven by steady growth in agriculture, garment export, tourism, and construction. "Cambodia has been enjoying full peace, security, political stability, social order, and development of all sectors," he said during an international symposium.

North East Asia

China will continue to implement a targeted approach in monetary policy in the second half of 2014 and shore up weak links in the economy. More financial support will be provided to rural areas and small businesses to reduce their financing costs. It will accelerate work to establish a deposit insurance scheme in the coming months.

South Korea will levy taxes on companies with excessive internal reserves as part of efforts to funnel corporate money into consumers and revive the lackluster private consumption, the finance ministry said. The ministry unveiled a revised tax code to impose an additional tax on companies, which do not spend a certain amount of profits on investment, salaries and dividends. A 10% tax will be levied on lack of the amount.

South Korea's exports of ICT products hit a new monthly high due to strong demand for locally-made handsets. ICT exports increased 1.7% from a year earlier to reach a new monthly high of US\$14.28 billion in July.

South Korea's automobile output rose from a year earlier in July mostly on a large increase in exports. Overall production by the country's five automakers jumped 22.4% on-year to 409,283 cars last month.

Australasia

Australia's unemployment rate rose to 6.4% in July, official figures show. Based on seasonally adjusted figures from the Australian Bureau of Statistics, the total number of people with jobs fell 300 to 11.577 million in July, compared to a downwardly revised 11.5769 million in June (6%).

Indian Sub-Continent

India's cabinet approved a plan to raise the amount of foreign direct investment allowed in its defence and railways industries, part of Prime Minister Narendra Modi's efforts to attract more foreign cash and revive the economy. The government is to increase the foreign investment limit in the defence industry to 49% from 26%.

Middle East and North Africa

More than 3.57 million tourists visited Morocco between January and May 2014, which reflects an increase of 9% compared to the same period last year, latest estimates by General Directorate for National Security in Morocco. The revenues from foreign tourists rose by 2% to 3%, reaching MAD 21.7 billion compared to MAD 21 billion during the same period last year.

Infrastructure project awards across the GCC are forecasted to exceed US\$86 billion in 2014, an increase of 77.8% over 2013, Ventures Onsite, said. In the UAE, US\$15.18 billion is expected to be awarded to infrastructure projects, almost five times the 2013 contracts, while Oman will expect infrastructure awards to reach US\$7.4 billion, up US\$5.5 billion from 2013. Bahrain, which awarded US\$382 million last year, is projected to award US\$3.4 billion in 2014.

Western Europe

German factory orders dropped by the most in more than 2 ½ years in a sign that geopolitical tension with Russia is leaving its mark on Europe's largest economy. Orders, adjusted for seasonal swings and inflation, slid 3.2% in June from May, when they fell a revised 1.6%, the Economy Ministry in Berlin said.

British industrial output increased by 1.2% in the year to June 2014, the Office of National Statistics reported. Britain saw a 1.9% output growth in manufacturing in June compared with a year earlier, and 0.4% increase in water supply, sewerage and waste management sector.

Britain's monthly house prices increased by 10.2% y-o-y in July, recording the biggest annual change since September 2007. British average house price grew by 1.4% in July over a month earlier, sending the average home price to £186,332. In June, the price slipped by 0.6%.

Italy's GDP shrank 0.2% in Q2 2014 when compared to the previous three months and 0.3% compared to same period last year, the Italian National Institute of Statistics (ISTAT) said. The figures confirmed Italian GDP contracted for two quarters in a row, technically dragging the economy back into recession.

Greek property prices declined at a slower pace in Q2 2014, Bank of Greece reported. Apartment prices fell 7.3% from a year earlier. The annual pace of decline, which was 8.5% in the first three months of the year, has gradually eased since Q3 2013.

North America

Canada racked up a solid trade surplus during June as exports hit a record level due to a strong showing from the energy sector. Statistics Canada said that Canada's trade surplus with the rest of the world came in at C\$1.9 billion, up from a revised C\$576 million in May.

South America

Argentina's recent showdown with creditors in U.S. courts will probably hurt the local economy, Economy Minister Axel Kicillof has said, in the first such admission from the government. His comments came a week after the country defaulted on a US\$539 million interest payment on bonds, restructured from a 2001 default, on a total of US\$100 billion.

Brazilian government will be able to meet its primary surplus goal for this year despite a string of negative results from a slowing economy, President Dilma Rousseff said. In the first six months of 2014, the primary surplus was equal to 1.17% of GDP.

Venezuela's energy sector has brought in US\$510 billion in oil revenues since it was nationalised in 2003, Venezuelan Energy and Oil Minister Rafael Ramirez said. Following the decision to reclaim the nation's oil industry, more than US\$300 billion have been spent in the past decade on social programs, he added.

Oil & Gas News

Brent for September settlement rose 23 cents to US\$104.82 a barrel on the London-based ICE Futures Europe exchange.

Gasoline for September delivery climbed 2.42 cents, or 0.9%, to \$2.7397 a gallon on the New York Mercantile Exchange.

Commodity News

Bullion for immediate delivery rose as much as 0.2% to \$1,308.13 an ounce and traded at \$1,306.87 at 8:57 a.m. in Singapore.

Currency News

Australia's dollar slid 0.8% to 92.83 U.S. cents as of 12:31 p.m. in Tokyo, the biggest decline since July 3.

The yen rose 0.5% to 102.10 per dollar as of 5 p.m. New York time after strengthening as much as 0.8%, the most since April 8.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
06-Aug-14	1,290.32	3.89	104.91	26.97	1.67	2.10	1.25	0.86	9419.74	82.37	2.56	34.97	25.80	3,316.42
07-Aug-14	1,306.85	3.95	104.8	26.53	1.67	2.11	1.25	0.86	9423.29	82.18	2.56	35.02	25.77	3,305.08
% Change	1.28	1.54	-0.10	-0.19	0.25	0.20	0.03	0.04	-0.22	0.00	0.16	-0.13	-0.34	

Economic & Financial News

Research & International Division

9/8/2014

*... German trade surplus narrows as imports jump ...
... Japan logs largest 6-month current account deficit ...*

South East Asia

Indonesia's foreign exchange reserves rose by US\$2 billion by the end of February, as the strong foreign inflows during the month offered an opportunity for the central bank to absorb dollars from the market. Bank Indonesia announced that its forex reserves figure in February topped US\$102.7 billion, the highest level in nine months, compared to the US\$100.7 billion it recorded at the end of January.

The Thai Energy Ministry will seek ways to boost domestic sources to reduce the country's heavy dependency on imported energy, while a scholar has urged price reforms to reflect actual costs and promote efficient energy use. The ministry's permanent secretary Areepong Bhoocha-oom said that last year the value of imported energy was Bt1.4 trillion.

Malaysia's trade surplus narrowed to RM4 billion in June from RM4.3 billion in the same month last year after imports grew faster than exports. The recorded trade surplus, lower by 8% y-o-y, is the lowest since August last year. On a monthly basis, the trade surplus dropped 29.7% from RM5.6 billion in May.

Singapore's economy grew by 3.5% y-o-y in the H1 of 2014, PM Lee Hsien Loong said. Singapore's economy grew by 4.7% y-o-y in the Q1. The growth slowed to 2.1% in the Q2, dragged by a slowdown in manufacturing, according to Ministry of Trade and Industry in July.

The number of foreign tourist arrivals to Vietnam rose 15.6% in the first seven months of this year in comparison to the same period last year, according to the General Statistics Office. The Southeast Asian country welcomed 4.85 million foreign visitors from January to July.

North East Asia

China's foreign trade volume went up 6.9% y-o-y to US\$378.5 billion in July. Exports in July surged 14.5% from a year earlier to US\$212.9 billion, while imports dropped 1.6% to US\$165.6 billion, the General Administration of Customs said. Trade surplus expanded to US\$47.3 billion from US\$31.6 billion in June.

Japan's current account balance fell into a deficit of ¥507.5 billion in the H1 of 2014, the Finance Ministry said. According to the ministry, imports climbed to 14.7% from a year earlier to ¥41,875.2 billion in the recording period, driven by Japan's increasing need for natural resources, particularly fuel like crude oil and liquefied natural gas, as the nation remains without nuclear power after the 2011 Fukushima disaster.

Direct investment by Japanese companies in China dropped 32.5% from a year before to US\$9.1 billion in 2013, while investment in Association of Southeast Asian Nations member countries rose 2.2 times to US\$23.6 billion, according to the Japan External Trade Organization.

Australasia

The number of home loans approved in June rose 0.2%, following a 0.1% fall in May, the Australian Bureau of Statistics said. ANZ senior property analyst David Cannington said even though new housing finance has been fairly flat in recent months there has been a marked improvement over the past year.

Indian Sub-Continent

India's automobile industry continued to show signs of recovery with sale of new cars in July growing 5% from the year-ago month. Although it was the third straight month of rise in passenger car sales, the growth rate in July was lower than that in the previous month. May and June had logged 3% and 10% y-o-y increase in sales, respectively.

Middle East and North Africa

Tunisia's annual inflation rate rose to 6% in July from 5.7% in June, hitting its highest rate this year. Inflation has been rising for the last four months, boosted by rising prices for food and clothing. Tunisia's central bank in June raised its key interest rate to 4.75% from 4.5% to counter inflation, in its second rate hike in six months.

Western Europe

German industrial output increased for the first time in recent four months in June. Adjusted for price, seasonal and working day swings, industrial production increased by 0.3% in June from the previous month, said the German Federal Statistical Office.

Europe's biggest economy saw a rebound in trade in June with German imports rising at their quickest rate in three-and-a-half years; however, subdued growth of exports saw the trade balance narrow unexpectedly. Data from the Federal Statistics Office showed seasonally adjusted imports rose by 4.5%, their most robust increase since November 2010. The sharp rise in imports saw Germany's trade surplus narrow from €17.8 billion in May to €16.5 billion in June

France would expand its GDP by 0.2% for July-September period of the year, the central bank Banque de France (BdF) said. In its first growth forecast for the Q3, BdF said industrial activities inched up in July thanks to boosted food processing, automobile and pharmaceutical businesses.

The British trade deficit in goods and services was estimated to have been £2.5 billion (US\$4.2 billion) in June 2014, up from £2.4 billion a month earlier, the Office for National Statistics (ONS) said. Britain registered a £9.4 billion deficit in goods trade, and an estimated surplus of £7 billion in services in June. Trade in goods deficit widened by £0.3 billion compared with May 2014.

Spanish house sales increased by 8.8% in June compared to a year earlier. A total of 26,076 sales were registered in June, pointing to a 7.3% fall in comparison with May. In the H1 of the year, housing sales fell by 5.4% compared with the same period in 2013.

Portugal's global trade deficit rose 11.5% in the Q2 as exports slipped 0.4% while imports rose 1.3%, the National Statistics Institute said. The institute said that exports to EU countries that represent Portugal's main market rose by 1.8% while imports from those countries rose 5.3%.

North America

The number of Americans seeking U.S. unemployment benefits rose 8,000 last week to 339,000, evidence that layoffs ticked up. Still, the increase wasn't enough to suggest the job market is worsening. The Labor Department said that the four week average of

applications, a less volatile measure, increased 3,500 to a seasonally adjusted 336,750.

Canada created 200 new jobs last month and the feeble state of the nation's labour market provoked more job hunters to abandon the search. Another 35,400 people dropped out of the labour market in July, cutting the participation rate to 65.9%, the lowest since October 2001, Statistics Canada said.

South America

Brazil's consumer price increases, as transport and food costs fell in the world's second-biggest emerging market. The benchmark IPCA index decelerated to 0.01%, the slowest in four years, from 0.4% in June, the national statistics agency said in Rio de Janeiro.

Chilean mining exports saw a slight increase of 0.2% y-o-y in July to US\$3.6 billion, reversing three months of declines, new central bank figures show. July exports grew 1.38% m-o-m from US\$3.55 billion.

Peru's trade deficit grew to nearly US\$2.5 billion in the H1 of the year after widening US\$370 million in June as gold exports tumbled, the central bank said. In June 2013, the South American country posted a US\$71.7 million trade surplus.

Oil & Gas News

Brent for September settlement slid 42 cents, or 0.4%, to \$105.02 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

On the Comex, gold futures for December delivery fell \$1.50 to settle at \$1,311 an ounce at 1:43 p.m. in New York.

Currency News

The Philippine peso fell 0.1% yesterday and touched a three-month low of 44.278 per dollar after the World Bank yesterday cut its growth forecasts for the Philippines for 2014 and 2015 to 6.4% and 6.7%, respectively.

The yen advanced less than 0.1% to 102.04 per dollar at 5 p.m. New York time, having reached 101.51, the strongest since July 24.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-Aug-14	1,306.85	3.95	104.8	26.53	1.67	2.11	1.25	0.86	9423.29	82.18	2.56	35.02	25.77	3,305.08
09-Aug-14	1,309.58	3.96	105.02	26.52	1.68	2.11	1.25	0.86	9416.20	81.15	2.56	35.27	25.73	3,288.89
% Change	0.21	0.25	0.21		0.40	0.10	0.50	0.09	-0.08	-1.26	0.13	0.70	-0.12	-0.49

Economic & Financial News

Research & International Division

12/8/2014

*... Egypt's annual urban consumer inflation jumped after fuel price increase ...
... India has pitched for relaxing import curbs on gold ...*

South East Asia

Singapore's exports are likely to fall this year, following a poor performance by the electronics industry in the first half of the year, the trade agency says. The Republic's non-oil domestic exports (NODX) are likely to contract by 1% - 2% this year.

Philippines' job-generating long-term foreign investments continued to rise in May, indicating that the country is still attractive to firms from abroad looking for new markets in which to expand their businesses. The Bangko Sentral ng Pilipinas (BSP) reported that FDIs in May rose to US\$473 million, reversing the net outflow of US\$62 million in the same month a year ago. However, FDIs in May were down from April's net inflow of US\$597 million.

Export turnover from Viet Nam to the Netherlands in the first six months reached US\$1.68 billion, up 21.3% compared to the same period last year, according to the Ministry of Industry and Trade. Cell phones and components saw the highest turnover with US\$297.3 million, accounting for 17.6% of the total.

North East Asia

China's fiscal revenue growth decelerated sharply in July, which could complicate the government's efforts to stabilise the slowing economy and revamp its fiscal system. Fiscal revenue rose 6.9% from a year ago to CN¥1.27 trillion in July, slowing from the 8.8% rise seen in June. The pace of fiscal spending also slowed in July, as national fiscal expenditures went up 9.6% to CN¥1.03 trillion, retreating from a 26.1% surge in June.

Japan's wholesale prices rose 4.3% in July from a year earlier for the 16th consecutive month of increase, mainly due to higher energy costs, the Bank of Japan said. The index of corporate goods prices came to 106.6 against the 2010 base of 100.

South Korea planned to raise seven promising service industries, including health care and finance, as part of the efforts to boost growth potential of the economy, which is being feared to plunge into the low-growth trap, the Finance Ministry said.

South Korea will develop 10,000 new small and medium-sized exporters by 2017 as a way of enlarging its overall exports and boost electronic trade by more than 10-fold. The Trade Ministry will expand the overall size of the country's trade finance programs while freshly offering up to US\$100,000 in trade insurance to first-time exporters.

Taiwan's total tax revenue from January to last month rose 5.6% from the same period a year earlier to NT\$1.192 trillion, after last month's tax revenue rose 6.3% to NT\$104.1 billion, the Ministry of Finance said. The ministry attributed the results to higher revenue from taxes on business income, securities transactions and business.

Indian Sub-Continent

India has pitched for relaxing import curbs on gold amidst rising smuggling of the precious metal into the country and high import duties mauling the jewellery industry. The gems and jewellery industry contributes significantly to the country's total exports, which accounts for about 15% of the country's total outbound shipments. In 2013-14, the exports were to the tune of US\$39.5 billion while India's total exports stood at about US\$312 billion.

Middle East and North Africa

Saudi Arabia is heading for a record budget surplus this year, with actual revenues expected to exceed SR1.17 trillion, SR315 billion more than what was projected in the budget set by the Finance Ministry. The government's spending on salaries, projects and services is expected to go up as a result of a hike in revenues.

There were almost 1.5 million Saudis employed in the private sector in 2013, an increase of more than 332,000 compared with 2012, according to data released by the Ministry of Labor. This increase is due to the growing need of manpower for economic and social development projects, especially in the construction sector, said ministry sources.

The volume of trade exchange between Saudi Arabia and Egypt has registered significant increase reaching SR117.5 billion in the last 10 years (2004-2013), according to a financial report. The trade balance was in favour of the Saudi side at an estimated

surplus of SR46.2 billion or 39% of trade between the two countries in the above period.

Egypt's annual urban consumer inflation jumped to 10.6% in July compared with 8.2% in June, the official statistics agency CAPMAS said, after the government introduced a fuel price increase last month. Annual inflation reached its highest rate in nearly four years in November but has been falling back since then. Gas subsidies were also cut, lifting prices by 30-75%.

Eastern Europe

Russia's economy grew by 0.8% from April to June compared with output during the same period last year, a preliminary estimate by Russia's statistics committee show. The economy minister warned earlier that Russia could slip into recession.

Western Europe

Italy will post a budget deficit of 2.9% of GDP in 2014 without the need for additional fiscal tightening, PM Matteo Renzi said. Italy would not breach the European Union's deficit limit of 3% of GDP despite the fact that the economy fell back into recession after contracting 0.2% in the Q2 of the year.

The rate of growth in new orders in the Irish construction industry quickened sharply to the strongest since November 2004, according to the latest Ulster Bank Construction Purchasing Managers' Index (PMI) which rose to 62.6 in July from 59.9 in the previous month, signalling the fastest rise in activity in three months.

Oil & Gas News

Brent for September settlement dropped as much as 0.2%, or 24 cents, to \$104.44 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery fell as much as 0.2% to \$1,306.48 an ounce, and traded at \$1,306.87 at 11:25 a.m. in Singapore.

Currency News

The yen slid 0.1% to 102.30 per dollar as of 11:13 a.m. in Tokyo from yesterday, when it weakened 0.2%, the biggest loss this month.

Australia's dollar bought 92.67 U.S. cents as of 12:30 p.m. in Sydney.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
09-Aug-14	1,309.58	3.96	105.02	26.52	1.68	2.11	1.25	0.86	9416.20	81.15	2.56	35.27	25.73	3,288.89
12-Aug-14	1,306.88	3.99	104.46	26.18	1.67	2.10	1.25	0.86	9348.42	81.75	2.56	35.15	25.70	3,316.49
% Change	-0.21	0.76	-0.53		-0.04	-0.54	-0.37	-0.01	-0.72	0.74	-0.23	-0.35	-0.13	0.84

Economic & Financial News

Research & International Division

13/8/2014

*... China will raise wholesale price of natural gas for non-residential use by 20.5% ...
... Australian wages are failing to keep pace with inflation ...*

South East Asia

Malaysia's 2015 Budget, scheduled to be tabled in Parliament in October, will continue to stimulate growth, and improve fiscal position and the people's standards of living, said PM Najib Razak.

With nearly 17% of the rice in Thai government warehouses rotting, the government may face a loss of Bt72 billion by selling it off at rock-bottom rates. 3 million of 18 million tonnes of rice stockpiled under the former government's rice-pledging scheme have deteriorated to the point where only ethanol producers may be interested in it.

Trade data from the US shows Cambodian exports to the world's largest economy increased 6% during the first six months of the year. As of June 30, Cambodian exports to the US totalled US\$1.4 billion, up from US\$1.32 billion recorded during the same six-month period in 2013, data from the US Department of Commerce showed.

North East Asia

Chinese power generation grew 3.3% in July from a year earlier, but the rate of increase eased from the month before as a slowing economy hit production in power-intensive sectors such as steel, autos and machinery. Power output in the world's top consumer was 504.8 billion kWh in July, boosted by a near 30% yearly jump in hydropower generation as thermal production fell.

China's fixed asset investment grew 17% y-o-y to CN¥25.9 trillion in July, the National Bureau of Statistics announced.

Chinese banks made CN¥385.2 billion worth of new yuan loans in July, slowing sharply from the previous month and well below market forecasts, central bank data showed.

China will raise the wholesale price of natural gas for non-residential use by 20.5% from Sept. 1, the second step in overall energy price reform. The National Development and Reform Commission said the price adjustment will be based on the 112 billion cubic meters of natural gas industrial and commercial users consumed in 2012, and the price for additional consumption since then will remain unchanged.

Japan's GDP in the Q2 of 2014 shrank 6.8% from a year earlier, the Japanese government said today. On a q-o-q basis, the data was down 1.7% in the wake of the consumption tax hike in April.

Home sales in South Korea nearly doubled from a year earlier in July, but mostly on base effect from a large decline last year. The number of home transactions came to 76,850 last month, up 94% from the same month last year, according to the Ministry of Land, Infrastructure and Transport.

South Korea's jobless rate inched down in July from a month earlier, and job creation accelerated thanks to improvements in the manufacturing, retail and construction sectors. The jobless rate stood at 3.4% last month, down from a revised 3.5% in June. The seasonally adjusted jobless rate also fell to 3.4% from the previous month's 3.6%.

South Korea's import prices logged a 23rd straight month of decline in July due to a fall in oil prices. In local currency terms, import prices tumbled 8.5% on-year last month, slowing from a 8.8% drop in June, according to the Bank of Korea.

Australasia

Australian wages are failing to keep pace with inflation after official figures revealed a decline in real terms for the Q2 in a row. Wages growth remains at record lows with the quarterly wage price index from the Australian Bureau of Statistics rising just 0.6% in the June quarter in seasonally adjusted terms. On an annualised basis, wages grew at 2.6% which is well below the inflation rate of 3%.

Sales of the most affordable homes in New Zealand are falling and a community housing group says the market is pushing more desperate families to ask for help. Real Estate Institute (REINZ) figures show sales of homes priced at NZ\$400,000 or less fell by 21.8% in the year to July with 3561 sales in July last year and 2786 last month.

Indian Sub-Continent

India's CPI quickened to 7.96% in July from 7.46% in June because of higher food and beverage prices. Factory output growth slowed to 3.4% in June from a 19-month high of 5% in May on account of a sharp deceleration in manufacturing activity.

Remittances sent home by overseas Pakistani rose 17.45% to US\$1.649 billion in the first month of current fiscal year, the central bank said. Remittances remained at US\$1.404 billion during the same month of the last fiscal year. Inflows traditionally rise during the holy month of Ramadhan for Eid festivities.

Middle East and North Africa

Qatar's CPI rose 3.1% y-o-y in July mainly on rising rents and costlier furniture and garments. The CPI inflation was up 0.3% compared to the previous month. The rent, fuel and energy group, which is the most influential and carries the maximum weight of 32.2% in the CPI basket, recorded an increase of 7.6% y-o-y in July 2014. The index was up 0.3% from the previous month's level.

Dubai's inflation rate rose 0.46% y-o-y in July 2014 on the increase of prices of major consumer groups, according to new figures released by Dubai Statistic Centre (DSC).

Turkish companies are enjoying a rise in orders from Russia as their government eyes a lucrative long-term opportunity from Moscow's ban on imported Western foods. Mehmet Buyukeksi, head of the Turkish Exporters Assembly (TIM), said he expected a significant increase in poultry and seafood exports to Russia, and that Turkey could also meet increased Russian demand for fruit and vegetables.

Western Europe

French prices dropped sharply in July compared to the previous month, adding to fears of deflation in France and the wider Eurozone. Prices fell by 0.3% m-o-m in July, the INSEE national statistics office said. But on a y-o-y basis, prices rose by 0.5%, the same as the previous month. INSEE said the dip in prices could be partly put down to summer sales.

Inflation in Germany fell in July to its lowest level in over four years. German inflation dropped to 0.8% y-o-y, its lowest level since February 2010, after rebounding to 1% in June. Inflation has been unusually low across the 18-nation Eurozone, fuelling concern the region could slip into deflation, hampering economic activity and threatens job losses.

Italy's annual inflation rate in July was just 0.1%, confirming its preliminary estimate. The figure is down from an annual inflation rate of 0.3% in June and it is the lowest level since August 2009. Istat added that prices fell

0.1% in July with respect to June. Such weak inflation is generally seen as an alarming sign, suggesting economic activity is weak.

North America

The U.S. federal government posted a budget deficit of US\$94.6 billion in July after reaping a surplus in the previous month, with the rising deficit for the current fiscal year. The July deficit was in sharp contrast with a surplus of US\$70.5 billion in June. In breakdown, revenue decreased to US\$211 billion and spending increased to US\$305 billion.

Canada will cut personal taxes further in next year's budget, Canadian Finance Minister Joe Oliver said. The Conservative government, which relied on large budget deficits to help Canada avoid the worst of the recession, projects it will have a surplus of C\$6.4 billion in the 2015/16 fiscal year.

South America

Peru's central bank held the benchmark interest rate steady at 3.75% but said it will soon loosen reserve rules, despite expectations it would opt for a second straight monthly rate reduction to counter sluggish economic growth.

Oil & Gas News

Brent for September settlement declined as much as 65 cents, or 0.6%, to \$102.37 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery traded at \$1,310.85 an ounce at 2:13 p.m. in Singapore from \$1,309.51 yesterday.

Currency News

The euro was little changed at \$1.3370 as of 7:18 a.m. in London. It fell to \$1.3333 on Aug. 6, a level not seen since Nov. 8.

The pound gained 0.2% to 79.39 pence per euro as of 8:17 a.m. London time after appreciating 0.5% in the previous two days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
12-Aug-14	1,306.88	3.99	104.46	26.18	1.67	2.10	1.25	0.86	9348.42	81.75	2.56	35.15	25.70	3,316.49
13-Aug-14	1,307.16	3.97	102.76	25.88	1.67	2.10	1.25	0.86	9341.43	81.81	2.56	35.08	25.65	3,299.41
% Change	0.02	-0.50	-1.63		-0.13	0.01	0.07	0.13	-0.07	0.07	-0.13	-0.19	-0.18	-0.52

Economic & Financial News

Research & International Division

16/8/2014

... US wholesale prices were virtually unchanged in July ...
... Peru's economy expanded in June ...

South East Asia

Indonesia's central bank reported a larger than expected current account deficit in Q2, but kept its key policy rates unchanged and predicted improvement later this year. Bank Indonesia Governor said the benchmark rate is consistent with the 3.5%-5.5% inflation target and lowering the current account gap "towards a healthier level".

Exports by small and medium-sized enterprises (SMEs) improved to Bt980.42 billion in H1 2014, up by 14.77% from the same period in 2013. SMEs exports rose 16.02% y-o-y to Bt171.96 billion in June, consisting of 26.87% of the total exports. Thailand's main export markets are China, Japan and the United States, with jewellery, plastics and machinery leading the way.

Malaysia's GDP accelerating faster than widely expected and at the highest pace in six quarters, thanks to strong export growth and robust private domestic demand. According to Bank Negara, Malaysia's economy for Q2 grew 6.4%.

Singapore's retail sales increased by 0.4% y-o-y in June, the Department of Statistics said. However, retail sales excluding motor vehicles; recreational goods; and telecommunications apparatus and computers fell 2.1%, 10.1%, and 7.6% y-o-y, respectively. The sales of motor vehicles rose by 12.4% y-o-y.

Singapore's new private home sales remained flat with 484 new units sold in July, according to statistics released by the Urban Redevelopment Authority. This is marginally higher than the 482 units sold in June.

Philippines' cash remittances rose to US\$2.05 billion in June, from US\$1.98 billion recorded in May 2014 and from US\$1.935 billion in June 2013. The inflows during the month were enough to bring the total remittance flows to US\$11.42 billion in H1 2014, 5.8% higher than the US\$10.2 billion inflows in January to June last year.

Philippine agricultural production grew by 1.8% y-o-y to P401.5 billion in constant prices during the first semester of 2014, according to the Philippine Statistics Authority. This was slightly faster than the 1.5% recorded in the same period of 2013, helped by a rebound in the crops subsector.

North East Asia

China's power consumption slowed sharply in July, adding to signs the world's second-largest economy may be losing steam. Electricity consumption, a broad measure of economic vitality, rose 3% y-o-y in July, slowing sharply from 5.9% y-o-y growth seen in June, according to the National Energy Administration.

Hong Kong's GDP grew 1.8% y-o-y in Q2, from 2.6% y-o-y in Q1. This is due to slackening tourist spending and the slowdown in domestic demand. Also, exports of goods rose 2.3% y-o-y in Q2, helped by a pick-up in June.

The average annual disposable income of Taiwan's richest families was 6.08 times higher than that of the poorest families in 2013, slightly lower than the 6.13 times recorded in 2012, the Directorate-General of Budget, Accounting and Statistics reported.

Indian Sub-Continent

India's foreign exchange reserves fell by US\$643.3 million for the week ended August 8 to US\$319.35 billion. Foreign currency assets fell by US\$646.7 million to US\$292.05 billion. Gold reserves remained unchanged during the week at US\$21.17 billion.

Indian export growth slipped to 7.33% in July after witnessing a double-digit expansion in the previous two months, pushing up the trade deficit to one-year high of US\$12.22 billion. Exports stood at US\$27.73 billion in July, from US\$25.84 billion in July last year. In June and May, the growth was 10.22% and 12.4%, respectively.

Western Europe

The British government revised up its y-o-y economic growth estimate from 3.1% to 3.2% in Q2 2014, while maintaining q-o-q growth estimates at 0.8%, the Office for National Statistics said.

The Portuguese economy grew 0.6% q-o-q in Q2 2014, reflecting an increase in exports of goods and services, the National Institute of Statistics revealed.

Fitch Ratings upgraded Ireland's credit rating one notch to A-minus and the country ceiling to triple-A, the highest rating, citing the country's improved fiscal condition. Fitch said Ireland remains compliant with domestic and euro-zone fiscal rules following its exit from a 2010 bailout with the European Union and International Monetary Fund.

North America

The US wholesale prices were virtually unchanged in July, indicating that low inflation continued to pose risks to the economy, the Labor Department said. The Producer Price Index edged up 0.1% in July, from a 0.4% rise in June and a decline of 0.2% in May. The prices for goods and services stayed unchanged in July.

US industrial production increased 0.4% in July on the heels of an upward revision as manufacturing output nears an all-time high. Manufacturing production rose 1% m-o-m in July, the Federal Reserve reported. Factory output in June was revised slightly higher to a 0.3% increase.

South America

Argentine inflation quickened for the first time in six months in July, leaving consumer prices 16.7% higher than at the beginning of the year. The Consumer Price Index in Latin America's third biggest economy rose 1.4% m-o-m, slightly above a 1.3% increase in June.

Economic activity in Brazil dropped sharply in June as the World Cup soccer tournament shut down shops and factories across the country, adding to signs Latin America's largest economy slipped into recession. The Brazilian central bank's IBC-Br economic activity index fell 1.48% (sa) in June from May. It was the fifth monthly decline in a row and the worst since May 2013.

Peru's economy expanded 0.3% y-o-y in June, the slowest pace of growth in nearly five years and well below market expectations as mining and manufacturing contracted, the government said.

Oil & Gas News

Brent for October settlement climbed US\$1.46, or 1.4%, to US\$103.53 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for delivery fell 0.7% in December to settle at US\$1,306.20 an ounce at 1:37 p.m. on the Comex in New York.

Currency News

The yen rose 0.1% to 102.36 per dollar at 5 p.m. in New York, trimming its weekly drop to 0.3%.

Indonesia's rupiah advanced 0.9% this week to 11,675 per dollar, according to prices from local banks.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Aug-14	1,307.16	3.97	102.76	25.88	1.67	2.10	1.25	0.86	9341.43	81.81	2.56	35.08	25.65	3,299.41
16-Aug-14	1,304.70	3.78	103.53	27.39	1.66	2.08	1.25	0.86	9384.38	82.31	2.55	35.07	25.61	3,314.77
% Change	-0.19	-4.79	0.75		-0.47	-0.89	-0.40	-0.22	0.46	0.62	-0.31	-0.04	-0.16	0.47

Economic & Financial News

Research & International Division

19/8/2014

*... The Philippines has the highest unemployment rate in ASEAN ...
... China's FDI inflows fell in July ...*

South East Asia

Thai junta boosts spending on defense, education in fiscal 2015 draft budget. The Bt2.58 trillion (US\$81.08 billion) draft budget was submitted to the military-dominated National Legislative Assembly yesterday. Thailand's military leader has called for education reforms as part of his plans to reshape the country and restore political stability.

Thailand avoided recession in Q2, even as the nation grapples with a political crisis that has hit consumption, confidence and tourism. The economy grew 0.9% in the three months ending June from the quarter before, after shrinking a revised 1.9% in the Q1.

Philippine merchandise exports grew by 21.3%, making it the top export performer among selected East and Southeast Asian economies, and raising hopes for a stronger expansion for the rest of 2014, according to the National Economic and Development Authority. Philippine exports grew to US\$5.4 billion from US\$4.5 billion in June 2013. For the first half of 2014, total exports rose by 8.3% to US\$29.8 billion from US\$27.5 billion in a comparable period last year.

Among ASEAN members, the Philippines has the highest unemployment rate, followed by Indonesia at 6%, based on the International Labour Organisation's (ILO) Global Employment Trends report 2014. The high number of unemployed Filipinos, stood at 12 million in 2013, which grew at 7.3% from last year, could result in higher number of overseas Filipino workers this year, but the unemployment rate in developed host countries keeps on rising.

Singapore's exports in July fell less than expected as shipments to major economies picked up, suggesting the manufacturing sector may have bottomed out to the back of an improving economic outlook in the United States and signs of resilience in China. Non-oil domestic exports eased 3.3% in July from a year earlier, trade agency International Enterprise Singapore said.

Cambodia's GDP per capita is expected to reach US\$1,130 this year, an estimated increase of 8% from US\$1,043 last year, Prime Minister Hun Sen said. The nation's poverty rate had also fallen from 53% in 2004 to 19% in 2013.

North East Asia

China's property sector showed new signs of cooling in July, with more cities reporting m-o-m price drops. Out of 70 major Chinese cities, 64 saw m-o-m price declines for new homes in July, compared with 55 in June, the National Bureau of Statistics said.

Foreign direct investment (FDI) into the Chinese mainland fell sharply in July, slumping 16.95% from a year earlier to US\$7.81 billion, the Ministry of Commerce said. The sharp decline was in contrast with a mere 0.2% increase seen in June. For the first seven months, the FDI, which excludes investment in the financial sector, stood at US\$71.14 billion, down 0.35% from the same period last year.

China announced yesterday cuts in the retail price of gasoline by CN¥190 per tonne (US\$31) and that of diesel by CN¥185. A pricing regime that came into effect last year adjusts domestic fuel prices when international crude prices change by more than CN¥50 per tonne for 10 working days.

Japan's trade deficit with the UAE remained relatively unchanged in the first half of the year as trade between the two increased by nearly 4.5%. Japan's exports to the UAE for the six months ending June 30 increased by almost 13% to US\$4.59 billion and imports rose by 2.76% to US\$21.34 billion, according to the Japan External Trade Organisation.

Local firms in South Korea spent more than ₩9 trillion (US\$8.8 billion) last year on business-related entertainment, which refer to those covering meals, drinks and other treats aimed at facilitating business deals, indicating they continued to spend heavily to treat clients despite the slumping economy, according to the National Tax Service.

Indian Sub-Continent

The Indian automobile sector, which faced major slowdown in demand in the last two years, witnessed about 85% decline in FDI to only US\$73 million during April-May this fiscal. During April-May 2013, the automobile sector received US\$478 million FDI, as per the data of the Department of Industrial Policy and Promotion.

Pakistan received FDI of US\$24 million in the first month of 2014-15, which is almost 80% less than the FDI received during the same month of the preceding fiscal year. FDI decreased by US\$95.1 million y-o-y in July, as it amounted to US\$119 million in the first month of 2013-14.

Middle East and North Africa

Kuwait's non-oil sector grew a strong 10.6% in 2013, driving the country's nominal GDP to KD49.8 billion (US\$175.4 billion), a growth of 2.3% over the previous year, according to national accounts data. The sector continued to recover from the 2008 crisis and its related weakness that lingered until 2010.

The consumption of natural gas in the sultanate of Oman declined by 6% in the first half of 2014 as industrial projects and oilfields used less of the resource. Total consumption decreased to 18,152mn m3 in the first six months of this year from 19,307mn m3 in the same period of 2013, the National Center for Statistics said.

The Saudi's Ministry of Labor has said it needs SR14.9 billion a year to reform the labor market and execute the strategy aimed at ending unemployment among Saudis. The resources are needed to finance the various stages of the employment strategy to ensure its continuity and success.

Libya's oil production has jumped to 550,000 bpd, state-owned National Oil Co said, as production ramps up at fields across the country. NOC spokesman Mohamed el-Harari said Libya is now producing 550,000 bpd, compared with 400,000 bpd last week. The number remains less than half the country's production capacity of about 1.6mn bpd.

Western Europe

Spanish banks' bad debts as a percentage of total loans fell to 13.06% in June compared to the 13.39% registered in May, provisional data published by the Bank of Spain. The fall was due to a fall in bad loans and a rise in overall lending. Overall lending rose by €7.849 billion (US\$10.489 billion) to a total of €1.422 trillion in June, while bad loans fell by €3.590 billion to €185.862 billion from May to June.

North America

Unemployment rates rose in 30 US states last month, even as employers in two-thirds of them stepped up hiring. The Labor Department said unemployment rates fell in eight states in July and were unchanged in 12. At the same time, hiring rose in 36 states, fell in 13, and was unchanged in Iowa.

South America

Chile's economic growth slowed in Q2 as a downturn in investment in the mining industry spread to consumer spending. GDP rose 0.2% from the previous three months, when the economy expanded a revised 0.6%, the central bank said. GDP expanded 1.9% from the year earlier.

Oil & Gas News

Brent for October settlement was 6 cents higher at US\$101.66 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery was at \$1,298.11 an ounce at 8:09 a.m. in Singapore from \$1,298.40 yesterday, when the metal fell 0.5%.

Copper for delivery in three months on the London Metal Exchange was little changed at \$6,899.75 a metric ton at 9:58 a.m. in Tokyo.

Currency News

The U.S. dollar traded at \$1.3359 per euro as of 10:48 a.m. in Tokyo from \$1.3364 yesterday, when it strengthened 0.3%, the most since Aug. 5.

The pound bought \$1.6718 at 9:35 a.m. in Tokyo, after dipping as low as \$1.6658 on Aug. 14.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-Aug-14	1,304.70	3.78	103.53	27.39	1.66	2.08	1.25	0.86	9384.38	82.31	2.55	35.07	25.61	3,314.77
19-Aug-14	1,299.29	3.79	101.69	26.83	1.67	2.08	1.24	0.86	9379.10	82.18	2.53	35.07	25.54	3,316.93
% Change	-0.41	0.26	-1.78		0.21	0.22	-0.04	0.07	-0.06	-0.16	-0.73	0.00	-0.27	0.07

Economic & Financial News

Research & International Division

20/8/2014

*... July marks 25th consecutive month of trade deficit in Japan ...
... US housing starts rebounded strongly in July ...*

South East Asia

Philippines' balance of payment (BOP) registered a surplus of US\$501 million in July, from a deficit of US\$24 million in June. However, the surplus was 54% lower than the US\$1.09 billion surplus recorded in July 2013.

Philippines' local vehicle importers and distributors continued its strong performance in the first seven months of the year as sales grew by 15% to 20,938 units during the period, from the 18,147 units sold a year ago. For July alone, members of the Association of Vehicle Importers and Distributors Inc. posted a more modest 8% growth in sales to 3,036 units, from the 2,802 units sold in July 2013.

Myanmar is implementing a new central economic zone in Muse, a border town in northern Shan state linking China's Ruili of Yunnan province, to boost border trade at the most important crossing between the two countries. The new Muse Central Economic Zone, being established on over 120 hectares of land at a cost of US\$51.54 million, comprises of 18 estates including jade trading facilities, markets, shops, hotels, restaurants and housing complexes, said the official.

North East Asia

China's president Xi Jinping promised to rein in "unreasonably high" pay for executives at government-owned companies to mollify public frustration at the wealth of state industry.

The Chinese government announced an action plan to assist the northeast region's staggering economy. This includes a CN¥60 billion (US\$9.7 billion) new credit reserve for shanty town renovation by the China Development Bank.

Trade deficit for Japan extended to the 25th consecutive month in July, logging at ¥964 billion (about US\$9.37 billion), the Finance Ministry said. On a custom-cleared basis, the country's exports increased 3.9% y-o-y, while imports rose 2.3% y-o-y.

Japan's department store sales fell 2.5% y-o-y in July on a same-store basis, down for the fourth consecutive month after the April 1 consumption tax hike. Total sales at 241 stores operated by 84 companies in the reporting month stood at ¥544.8 billion, according to the Japan Department Stores Association.

Corporations in South Korea were ordered to pay an average of ₩1.29 billion (US\$1.27 million) in additional taxes in 2013 as a result of government-led tax audits. The amount is larger than the average ₩1.09 billion won that corporations had to pay in additional taxes due to audits in 2012, according to the data provided by the National Tax Service.

Fitch Ratings has affirmed its sovereign ratings on South Korea, citing its "resilient" growth, "moderate" government debt, and "sustained" budget surpluses. Fitch retained its ratings on South Korea at "AA-", the fourth-highest of its rating system, and also maintained its rating outlook at stable. Growth remains broadly resilient notwithstanding a slowdown in Q2 2014 following a shock to consumer confidence from the Sewol ferry disaster.

Australasia

Australia's economic outlook remains uncertain because of the conflicting forces at play and reiterated that interest rates are set to remain on hold, Australia's central bank said.

Indian Sub-Continent

Indian indirect tax collections rose 4.9% in July and 3.9% in April-July, indicating that targets for the full fiscal may be difficult. The government budgeted Rs 6.23 lakh crore from indirect taxes of customs, central excise and service tax in FY15, a near 25% rise from last year. Indirect tax collections in the first four months add up to 24.8% of the total budgeted for the year.

Middle East and North Africa

The Turkish private sector is expected to repay US\$73.7 billion worth of outstanding foreign debt this year, according to recent figures from Turkey's central bank. In the first half of 2014, private sector debt increased by US\$12.2 billion, while long-term foreign credit debt reached US\$166.5 billion, increasing US\$8.9 billion from the end of 2013 to the end of June.

Inflation rates across Gulf Cooperation Council (GCC) member states ranged between 1.21% and 3.10% through June 2014. The latest inflation figures issued by the Statistical Centre for the Cooperation Council for the Arab Countries of the Gulf reveals that Bahrain topped the list among GCC countries, recording an inflation rate of 3.10% over a 6-month period ending in June 2014, followed by 2.87% in Kuwait, 2.80% in Qatar, 2.70% in Saudi Arabia, 2.21% in the United Arab Emirates and 1.21% in the Sultanate of Oman.

Eastern Europe

Russia will guarantee US\$1 billion of truck maker Kamaz's future debt, as part of a broader government initiative to support vehicle manufacturers struggling with falling sales. Russia, Europe's second-largest car market after Germany, is seeing a sharp decline in car and truck sales as its weak economy is put under further pressure by Western sanctions over the crisis in Ukraine.

Western Europe

British house prices increased by 10.2% in the year to June 2014, down from 10.4% in the year to May 2014. House price annual inflation was 10.7% in England, of which London's property price increased by 19.3%, followed by the South East (9.7%) and the East (7.9%).

Britain's consumer prices index fell to 1.6% in the year to July 2014, from 1.9% in July. A fall in clothing prices provided the largest contribution to the fall in the rate.

Fitch ratings agency praised the Portuguese Constitutional Court's decision to partially approve spending cuts, stating that this will enable the government to meet its budgetary targets. It limits future fiscal flexibility, although the consequences for debt reduction will partly depend on whether Portugal can sustain its return to economic growth.

North America

US housing starts rebounded strongly in July, pointing to momentum in the economy but a moderate increase in consumer prices suggested the Federal Reserve has room to keep interest rates low for a while. Ground-breaking surged 15.7% last month to 1.09 million unit (sa), the Commerce Department said.

South America

Argentina's unemployment rate rose to 7.5% in Q2 as the country's recession appeared to worsen and more companies laid off workers. The jobless rate is higher than the rate of 7.1% in Q1 and 7.2% in Q2 2013.

CPI for Sao Paulo, Brazil's biggest city, rose 0.34% in the four weeks ended August 15, compared with a rise of 0.21% in the four weeks ended Aug. 7. This was due to an increase in housing and transportation prices.

Oil & Gas News

Brent for October settlement fell 2 cents lower to US\$101.54 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery rose marginally to US\$1,296.17 an ounce at 9:24 a.m. in Singapore, from US\$1,295.73 yesterday.

Soybean futures for delivery in November declined 0.5% to close at US\$10.5275 a bushel at 1:15 p.m. on the Chicago Board of Trade.

Currency News

The US dollar was little changed at US\$1.3316 per euro at 11:02 a.m. in Tokyo from yesterday, when it touched US\$1.3313.

The won fell 0.2% to 1,019.65 per dollar as of 9:32 a.m. in Seoul.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
19-Aug-14	1,299.29	3.79	101.69	26.83	1.67	2.08	1.24	0.86	9379.10	82.18	2.53	35.07	25.54	3,316.93
20-Aug-14	1,296.30	3.87	101.55	26.24	1.66	2.08	1.24	0.86	9387.03	82.49	2.53	35.11	25.60	3,325.20
% Change	-0.23	2.11	-0.14	-0.37	-0.12	-0.08	-0.11	0.08	0.39	0.23	0.12	0.22	0.25	

Economic & Financial News

Research & International Division

21/8/2014

*... Portion of South Korea's short-term foreign debts rises to highest in a year ...
... Malaysia consumer prices rise at slower pace in July ...*

South East Asia

The Philippine government's infrastructure spending expanded by 62.7% on year to PHP24.4 billion (US\$558.51 million) in June, the Department of Budget and Management (DBM) said. The hike in infrastructure disbursements in June was largely due to the release of PHP4.9 billion pesos (US\$112.16 million) for the Aircraft Acquisition Project of the Armed Forces of the Philippines.

The number of Malaysians who were employed in 2013 rose to 13.21 million from 12.72 million the year before, according to the Malaysian Manpower Investigative Report 2013. The Statistics Department stated that the national labour market improved with labour participation rate at 67% in 2013 or 13.63 million people of the 20.34 million people of working age. Out of that, 13.21 million people were employed while 424,600 were jobless in 2013. In other words, the unemployment rate in Malaysia was at 3.1%.

Malaysia's consumer prices rose at a slower pace in July despite festive season during the month, clouding the prospects for another interest rate increase this year. Malaysia's CPI in July rose 3.2% from a year earlier, marginally below expectations and easing slightly from a month ago, data from the Statistics Department showed. The index rose 3.3% in June.

Malaysia and China signed a Five Year Programme for Economic and Trade Cooperation and are on the right track by employing policies that are contributing to the achievement of the US\$160 billion bilateral trade target.

North East Asia

China's government spending on social security and employment rose 12.6% in the January-July period from a year earlier, Ministry of Finance data showed. During the seven months, total social safety-net and employment spending stood at CN¥965.36 billion (US\$156.77 billion), accounting for about 60% of the budgeted CN¥1.59 trillion for the whole year.

Japan is considering setting aside ¥1 trillion for stimulus measures in fiscal 2015 to help stave off a blow from a consumption tax hike planned for October next year. The cash reserve, to be earmarked in next fiscal year's budget, would enable the government to act flexibly to kick-start the economy if the tax is in fact raised as scheduled.

The portion of short-term foreign debts in South Korea rose to the highest in a year as banks increased borrowing in foreign currency. The rate of foreign debts, which mature in less than a year, to the total was 29.8% as end-June, the highest since June 2013 when it reached 30%. From three months earlier, the percentage was up 0.7 percentage point. As of the end of June, the country's total foreign debts came in at US\$442.2 billion, up US\$16.8 billion from three months earlier.

South Korea's national tax collection inched up during the first half from a year earlier, but its pace of growth slowed. The government's national tax collection came to ₩98.4 trillion (US\$96.5 billion) during the January-June period, up ₩1.2 trillion from the same period last year, the Finance Ministry said.

Japanese manufacturing activity accelerated in August as export and domestic demand increased, a preliminary survey showed on Thursday, offering hope that economic growth is getting back on track after slumping in the wake of a sales tax increase in April. The Markit/JMMA flash Japan Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 52.4 in August, up from a final reading of 50.5 in July.

Middle East and North Africa

Turkey continues to be a safe harbor for international investors as foreign direct investment increased by 28% and totaled US\$6.73 billion (TL14.66 billion) in the first half of the year. Turkey has been continuing on a safe road since the beginning of the year despite negative speculations, adding that the FDI to Turkey in June alone was US\$990 million, Economy Minister Nihat Zeybekçi said.

Kuwait's credit was strong in June, with y-o-y growth accelerating to its fastest pace since 2009 and putting two months of weakness behind it, a specialised economic report, the National Bank of Kuwait (NBK). The NBK pointed out that the month's strong credit figure, which reflected a pick-up in the non-financial business sector, will help ensure credit growth tops 8% in 2014.

Kuwait has planned to expand its petrochemical capacity from 3.4 MTPA in 2012 to 7.9 MTPA by 2015 at a compound annual growth rate of 32%. Petrochemical projects worth US\$7,565 million are expected to be executed in Kuwait between 2011 and 2017, said Kuwait Financial Centre (Markaz) in its report.

Jordan's trade deficit widened by 10.5% during the first half of 2014 to around JD5.4 billion compared to JD4.8 billion at the end of the same period last year. According to the Department of Statistics (DoS), total exports (including re-exports) rose at the end of June this year by 6.8% to JD2.9 billion compared to JD2.8 billion during the same period of 2013.

Egypt suffers regular blackouts due to worst energy crisis in decades. Rising population, intense heat and claims of terror attacks on infrastructure means demand is now 20% more than capacity. Egypt is experiencing one of its most serious energy crises for decades, with parts of the country facing around six power cuts a day for up to two hours at a time.

The total value of Lebanon's industrial exports dropped by 14.5% from US\$1.188 billion in the first four months of 2013 to US\$1.016 billion during the same period in 2014, according to a report issued by the Industry Ministry Tuesday. The decline in exports was mainly due to higher shipping rates and local production costs leading to lower competitiveness of Lebanese exports.

Western Europe

The Spanish banking system will evolve better than the Italian and Portuguese banking systems according to a report published by the ratings agency. Moody's said that Spanish banks will recover better in 2014 and 2015 as financing conditions get better and credit is restored within the Spanish banking system when compared with banking systems of Italy and Portugal.

The eurozone seasonally-adjusted production in the construction sector fell by 0.7% in June, compared with the previous month, the European Union's (EU) statistics office Eurostat said. The figure fell by 2.3% in the eurozone year on year.

South America

Brazil's central bank would ease banks' reserve requirements for the second time in less than a month, freeing up US\$4.5 billion to stimulate lending and boost the sluggish economy. Under the new rules, banks will be allowed to use up to 60% of reserves for credit operations, an increase from the 50% limit announced on July 25.

Brazil's central bank moved to increase the amount of capital available for commercial loans by at least BRL25 billion (US\$11.1 billion), part of efforts to boost a stagnant economy, the central bank said. The bank took two steps. The first was to cut the amount of capital commercial banks must keep on deposit with the central bank by about BRL10 billion. This is in addition to BRL30 billion freed up in a similar manner July 24.

Oil & Gas News

Brent for October settlement was 19 cents lower at \$102.09 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Global steel production rose 1.7% in July y-o-y, driven mainly by growth in Chinese output, the World Steel Association (WSA) said. The latest data showed that steel production reached 136.8 million tons last month.

Gold for immediate delivery lost as much as 0.2% to US\$1,288.81 an ounce, and was at US\$1,289.87 at 9:36 a.m. in Singapore.

Currency News

The ringgit declined 0.3% to 3.1758 per dollar as of 9:58 a.m. in Kuala Lumpur.

The U.S. dollar gained 0.1% to \$1.3248 per euro at 11:58 a.m. in Tokyo after appreciating to \$1.3242, the strongest level since Sept. 10.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Aug-14	1,296.30	3.87	101.55	26.24	1.66	2.08	1.24	0.86	9387.03	82.49	2.53	35.11	25.60	3,325.20
21-Aug-14	1,286.21	3.86	102.05	26.44	1.66	2.07	1.25	0.86	9377.34	82.64	2.54	35.09	25.59	3,325.73
% Change	-0.78	-0.26	0.49	-0.02	-0.33	0.37	0.13	-0.10	0.18	0.15	-0.07	-0.04	0.02	

Economic & Financial News

Research & International Division

23/8/2014

*... Taiwan's unemployment rate was at its lowest level for the month in 14 years ...
... The Indian government raised the import duty on sugar to 25% ...*

South East Asia

Bank Indonesia (BI) forecast the country's CPI in August to rise at a slower pace than July's 0.93%, due to the absence of sentiment that can push prices up. The hike of electricity tariff, which started in May, did not have a significant impact on the overall prices in August, BI said.

Thailand spent up to Bt985 billion buying 54.4 million tonnes of paddy in two and a half years under the scrapped rice-pledging scheme but most of the Bt560 billion producer surplus went to medium-to-large-scale farmers.

The Philippines economy likely rebounded in Q2 with a growth of 6.2%, from 5.7% in Q1, driven by higher industrial output and strong exports, the credit rating agency Moody said.

North East Asia

More Chinese manufacturers are falling behind on their payments as economic growth falters, causing accounts receivable to spike CNY1.1 trillion yuan in H1 from the year-ago period. The Ministry of Industry and Information Technology said the 12.7% annual jump in accounts receivable in H1 showed how rising arrears was a bigger problem for firms compared with high credit costs and financing difficulties.

China's deficit from trade in services expanded in July to US\$15.3 billion, its greatest level in 2014, the State Administration of Foreign Exchange (SAFE) said. The July deficit was US\$6.3 billion more than in June and it brought the total deficit from January to July to US\$74.2 billion.

Japan's government and construction industry have drawn up a plan to double the number of women workers at construction sites. It is aimed to address a labor shortage in the industry ahead of the 2020 Tokyo Olympics.

Monthly household income in South Korea grew 2.8% on-year in Q2. The income of households consisting of two members or more averaged ₩4.15 million per month during the April-June period, up from ₩4.04 million a year earlier.

The South Korean government will provide ₩2 trillion worth of fiscal support next year to help traditional markets and small merchants suffering from a fall in demand caused by the protracted slow economy. The support plan will be reflected in the 2015 budget that the government is drawing up, Finance Minister Choi said.

Hong Kong's Consumer Price Index (CPI) in July fell to 3.3% y-o-y from 3.4% in June, mainly due to the smaller increases in private housing rentals and the charges for package tours, the statistics department said.

Taiwan's unemployment rate, while edging higher in July to 4.02%, was at its lowest level for the month in 14 years, according to the Directorate General of Budget, Accounting and Statistics.

Indian Sub-Continent

The Indian government raised the import duty on sugar to 25% from 15% to help sugar mills, which are struggling to clear cane arrears due to low prices and excess stock. Higher import duty will force refiners to purchase from domestic mills, which collectively owe sugarcane farmers close Rs 9,000 crore.

India Oil Ministry will approach Cabinet regarding the possible deregulation of domestic diesel pricing as local prices could soon reach parity with global levels. India regulates diesel prices to protect the poor and curb inflation. Deregulation could bring the return of private firms.

Pakistan's foreign exchange reserves fell to US\$13.925 billion during the week ended August 15 against US\$14.264 billion a week ago. Foreign exchange reserves held by the State Bank of Pakistan (SBP) witnessed a decline of US\$285 million to US\$8.903 billion as compared to US\$9.188 billion in the previous week.

Bangladesh's trade deficit narrowed slightly in the last fiscal year 2013/2014 concluded in June on the back of an increase in exports. Trade deficit in the last fiscal year 2013-2014 (July 2013-June 2014) narrowed 3% to US\$6.81 billion compared to a year earlier.

Western Europe

The number of employed people in Germany increased in the Q2 of 2014 amid concerns that geopolitical tensions would depress Europe's largest economy. Roughly 42.5 million people were in employment between April and June. Adjusted for seasonal fluctuations, 100,000 more people were in employment in the Q2 than in Q1 this year.

Germany's Economy Ministry approved the sale of utility RWE's oil and gas unit DEA to a Russian investor. The go-ahead announced today removes the biggest hurdle for the €5.1 billion sale, a major plank in RWE's struggle to reduce a debt burden of more than €30 billion.

Britain's retail sales volume in July 2014 increased by 2.6% y-o-y and by 0.1% m-o-m. In the three-month to July, however, the retail sales in quantity increased by 0.3% compared with the previous three months, registering the 17th consecutive rise, the longest period of sustained growth since November 2007, data showed.

Spain reported a record foreign visitor numbers in July, raising the prospect of a significant economic boost from the important summer tourism season. Foreign tourist numbers rose to an unprecedented 8.3 million in July, up 5.9% from a year earlier.

Portugal's GDP in the Q2 expanded 0.6%, and was up 0.8% on a year earlier, according to preliminary figures released by the National Statistics Institute (INE). The government hailed the expansion as vindicating its policies of the past three years while opposition parties said the growth target for the year was out of reach.

North America

Canadians paid 2.1% more for goods and services in July than a year earlier as food and shelter costs rose. Natural gas prices, home and mortgage insurance and property taxes were up in the month.

Mexico's annual inflation held steady in the first half of August, when higher gasoline and education costs were offset by a drop in vacation-related prices. The CPI rose 0.19% in the first two weeks of the month, leaving the annual rate unchanged from the end of July at 4.07%, the National Statistics Institute said.

South America

Brazil's current account deficit widened in July as the central bank supports the currency in an effort to prevent inflation from further accelerating. The deficit in the current account widened to US\$6 billion from US\$3.3 billion a month earlier. FDI during the same period rose to US\$5.9 billion from US\$3.9 billion.

The Peruvian economy is set to rebound to 6% next year and, thus, surpassing, among others, Colombia, Chile, Mexico, Uruguay and Brazil, Finance Minister Luis Miguel Castilla said.

Oil & Gas News

Brent for October settlement slipped 34 cents to US\$102.29 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for December delivery rose 0.4% to settle at \$1,280.20 an ounce at 1:46 p.m. on the Comex in New York.

Currency News

The rupiah advanced 0.1% to close at 11,679 per dollar, prices from local banks showed yesterday.

The Philippine peso dropped 0.4% for the week to 43.835 per dollar in Manila today.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
21-Aug-14	1,286.21	3.86	102.05	26.44	1.66	2.07	1.25	0.86	9377.34	82.64	2.54	35.09	25.59	3,325.73
23-Aug-14	1,281.10	3.84	102.29	26.64	1.66	2.07	1.25	0.86	48.40	9337.94	2.53	35.05	25.54	3,325.50
% Change	-0.40	-0.52	0.24		-0.14	-0.13	0.02	-0.26	-99.48	11,198.91	-0.23	-0.10	-0.18	-0.01

Economic & Financial News

Research & International Division

26/8/2014

*... The Indonesian government will proceed to cap the production of coal next year ...
... New Zealand posted its first monthly trade deficit in nine months ...*

South East Asia

Brunei's crude oil export in June increased by 30.6%, contributing to a 11.8% increase in exports, the Department of Economic Planning and Development (JPKE) said yesterday. The volume of crude oil export for June has increased to 119.5 thousand barrels per day from 98.8 thousand barrels per day in May.

Prices of goods and services in Brunei decreased on month by 0.6% in July on the back of lower clothing and footwear prices, the JPKE reported yesterday. The clothing and footwear index declined by 7%. This is due to lower prices of select clothing materials, several garments as well as shoes and other footwear.

The Indonesian government has announced that it will proceed with plans to cap the production of coal next year, a move aimed not only at protecting the environment but also at helping to stem a decline in global coal prices. The government expressed optimism that it could limit annual coal production to around 400 million tons once the policy takes effect next year.

The number of older workers in Singapore earning less than SG\$1,000 a month in Singapore has doubled to nearly 35,000 over the past decade, according to figures from the Ministry of Manpower. More elderly people may be working because there are fewer children to provide support, or the children themselves may be struggling with rising costs.

Thailand's unemployment hit 1.04% in Q2, virtually unchanged from a year earlier in part due to a strong retail sector. The National Economic and Social Development Board reported today that its April-June survey found that only 400,000 people out of a workforce of 38.4 million reported being jobless.

The Thai Transport Ministry has been allocated a budget of Bt112.38 billion for fiscal 2015, up 11.7% from the previous fiscal year, making it the second-biggest spender among ministries with economic impact, leading the way to connectivity with ASEAN.

Vietnam's CPI this month increased by 0.22% over that of last month and 1.84% over that of the end of last year. Figures provided by General Statistics Office are the lowest levels recorded for August in the past nine years, as numerous factors have curbed price increases this

month. The world prices of numerous essential goods remained stable and declined while domestic petroleum prices decreased thrice in nearly a month since July 18.

North East Asia

Demand for Japanese Y1 coins has remained sluggish despite an expected increase in demand after the consumption tax hike in April, as more and more people are using electronic payment systems. This year, the government resumed minting Y1 coins for the first time in four years, expecting that demand for small change would increase due to the tax rate hike to 8% from 5%. As many as 25 million Y1 coins were newly minted between January and March.

Australasia

New Zealand posted its first monthly trade deficit in nine months in July, led by falling prices for export logs and wood products. Statistics New Zealand said the country had a trade deficit of NZ\$692 million in July. Exports in July fell 3.3% from the same month a year earlier to NZ\$3.7 billion. Imports dropped 4.8% to NZ\$4.4 billion.

Middle East and North Africa

Egypt's power plants currently receive 80% of natural gas production, equivalent to approximately 3.043bn cubic feet per day, currently the maximum supply rate, according to a report issued by the Ministry of Petroleum. Approximately 519.8m cubic feet of the remaining 20% of Egypt's gas production is directed toward the industrial sector.

The cost of sending remittances to Lebanon from the United States reached 10.19% in Q2 for a US\$200 transfer, down from 10.81% in Q1 and from 10.72% in the Q4 of 2013.

Iran's tax revenues stood at some US\$7.4 billion during the 5-month period from March 21. The figure shows 48% increase compared to the same period of the preceding year. Iran's tax revenues US\$21.29 billion accounts for 34% of the country's total budget in the current fiscal year, which is 18% more than the previous year.

Jordan's gross domestic and foreign debt rose 5.2% to 20 billion dinars in H1 of the year from the end of last year as the kingdom tapped more foreign funds to help its economy cope with an influx of Syrian refugees, finance ministry statistics said.

Kuwait's annual index of CPI rose to 2.71% in July compared with the same month last year, the Central Statistical Bureau announced. However, it stated that the inflation rate remained unchanged on m-o-m basis.

Eastern Europe

The tariffs of Russian Central Bank designed National Card Payment System (NCPS), will be competitive with other international payment systems, without any tariff service monopolies, Central Bank head said.

A fiscal rule that prevents Russia from raising government spending reflects "old realities" and should be relaxed, Russian Economy Minister said. Government expenditure is tied to long-term oil prices and borrowing is limited to 1% of GDP. However, this system faces criticism at a time when the economy, hit by Western sanctions over Ukraine, risks entering recession.

Western Europe

Business confidence in Germany declined for the fourth month in August, which further clouded prospects of a broader recovery across the EU. Germany's Ifo Business Climate Index in manufacturing, which looks at the confidence of the country's 7,000 firms, fell to 106.3 in August from 108 in July.

The leaders of Germany and Spain defended the need for structural reforms and austerity measures in Europe, saying they were good for growth, despite calls France and Italy for a shift in economic policy.

North America

New home sales in the US slipped 2.4% to a seasonally adjusted annual rate of 412,000 units, the lowest level since March, the Commerce Department said.

Data for the past three months was revised to show 33,000 more new homes sold than previously reported.

The Central Bank of Canada has scope to keep interest rates near historic lows even if employment picks up, the Bank of Canada Governor said. The country's labour market and a tendency toward part-time job creation have restrained income growth in the world's 11th-largest economy.

South America

Peru's economy expanded at the slowest pace since 2009 in Q2 after copper exports tumbled and investment dropped. GDP rose 1.7% from a year ago, down from a revised 5.1% in the Q1, the national statistics agency said. Peru's Central Bank cut borrowing costs last month for the first time this year as the government expanded fiscal stimulus to revive South America's fastest growing economy of the past decade.

Oil & Gas News

Brent for October settlement was 25 cents higher at \$102.90 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery fell as much as 0.2% to \$1,274.82 an ounce, and traded at \$1,276.25 at 8:18 a.m. in Singapore.

Silver for immediate delivery traded at \$19.3841 an ounce from \$19.36 yesterday.

Currency News

The yen gained 0.2% to 103.88 per dollar as of 10:35 a.m. in Tokyo after touching 104.49 yesterday, the weakest since Jan. 23.

The won appreciated 0.2% to 1,017.85 per dollar, according to data compiled by Bloomberg.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
23-Aug-14	1,281.10	3.84	102.29	26.64	1.66	2.07	1.25	0.86	48.40	9337.94	2.53	35.05	25.54	3,325.50
26-Aug-14		3.93	102.78	26.15	1.65	2.07	1.25	0.86	9362.42	83.32	2.53	35.06	25.58	3,332.14
% Change	-100.00	2.34	0.48		-0.44	0.08	0.18	-0.21	19,242.76	-99.11	0.00	0.01	0.16	0.20

Economic & Financial News

Research & International Division

27/8/2014

*... Recent pro-business measures led to growth spurt in new Chinese enterprises ...
... Orders for long-lasting US manufactured goods posted their biggest gain on record in July ...*

South East Asia

Sugar refiners in Indonesia will probably boost imports of the raw variety by 29% next year to meet expanding consumption by the domestic food industry. The country will replace China as the top importer in the year to April, buying 3.65 million tons, US Department of Agriculture data shows.

Singapore's growing logistics and transportation sector has gotten a productivity boost, with a new system that lets firms plan container deliveries more efficiently. Such innovations help the industry keep ahead of the pack, Senior Minister of State for Trade and Industry Lee Yi Shyan said.

Vietnam's import from China in the first eight months of 2014 is expected to grow 17.3% y-o-y, according to the country's General Statistics Office. Vietnam is forecast to spend US\$27.6 billion to import goods from China.

Vietnam has generated US\$20.22 billion in revenue from agricultural exports (farming, forestry and seafood) in the first eight months of 2014. This represents an 11.9% y-o-y increase to US\$2.47 billion in August.

North East Asia

A spurt of growth in new Chinese enterprises is the direct result of recent pro-business measures. Over 5.5 million new market entities were registered from March to July, the head of the State Administration for Industry and Commerce said. Among them, about 1.6 million were commercial enterprises, up 64.5% y-o-y. Nearly 95% of them are private companies.

Japan's service producer price index rose 3.7% y-o-y in July, the Bank of Japan said. The index, previously called the corporate services price index, stood at 102.7.

South Korea's household credit set a record and grew for five straight quarters amid the rate cut in August, which was expected to increase the record debt further. Household credit reached a new high of ₩1,040 trillion (US\$1.02 trillion) as of end-June, up ₩15.1 trillion from three months earlier, according to the Bank of Korea.

Australasia

The amount of construction work done in Australia fell 1.2% in Q2 2014. Over the year to June, the volume of construction work done was down 0.6%, the Australian Bureau of Statistics (ABS) said. The ABS said total building work done, including homes and non-residential buildings like offices and shops, rose 1.5% in Q2 2014.

The death of Australia's car making industry will result in the loss of as many as 40,000 jobs, according to a review by the Productivity Commission. And those job losses will be staggered over a number of years and include workers from the three remaining car makers, as well as those employed in the auto component sector.

New Zealand food prices declined 0.7% in July, its first decline in four months, as discounting led to lower prices for beef and processed meat, Statistics New Zealand said. The index was 0.1% lower than July last year, the first annual decline in 14 months, led by lower prices for fruit and vegetables.

Indian Sub-Continent

Large-scale manufacturing in Pakistan posted a growth of 3.95% y-o-y in the outgoing fiscal year 2013/14. The industrial output witnessed a positive growth in the outgoing fiscal year mostly with few exceptions, where industries entered a negative growth, Pakistan Bureau of Statistics reported.

Middle East and North Africa

Algeria plans to increase state spending by 16% in 2015, pushing up its deficit to 22% of GDP, despite declining energy earnings, according to a draft budget obtained by Reuters. Algeria, a member of OPEC, relies on oil and gas exports to finance government development and social programmes but that revenue has been declining in recent years.

Libya's oil production had increased to 650,000 bpd in the past few weeks despite the widespread fighting between the various militias in the country.

Expenditures for the development of 26 slum neighbourhoods in Egypt over the past three years reached EGP1.5 billion, according to the Ministry of Urban Development and Slums. The Ministry completed slum redevelopment in Port Said at EGP87 million.

Saudi investments in Sudan are expected to cross US\$13 billion (SR48.75 billion) in the next few months, the Sudanese Higher Council of Investment said. Khartoum Region will capture 30% of Saudi investments, which are primarily focused on agricultural, animal, food, and mining products.

Saudi Arabia could earn US\$8.5 billion from this October's Haj, according to a published study which predicted that two million Muslims would make the pilgrimage to Mecca. The Mecca Chamber of Commerce said revenues from the world's largest annual gathering of Muslims would increase by 3% from last year.

A marginal increase in exports helped Qatar post a rise in trade surplus of 1% y-o-y to QR33.21 billion in July. The country's total exports of domestic products rose 0.6% in July despite a drastic fall in crude cargoes.

Western Europe

Purchasing power in German cities fall short of that in rural areas, a study by the Institute of the German Economy said. Results showed the purchasing power of 14% of people in rural areas is poor, compared to that of 22% in German cities.

France reported a monthly rise in the creation of new enterprises in July due to favourable economic and investment climate, data released by national statistics bureau Insee showed. At the end of July, France saw 46,990 new firms, up 3.5% from June, thanks to growing businesses related to education and health sectors and trade and transport activities.

The Portuguese government approved the country's second amended budget this year without a further tax hike, according to an official statement. The government said that the country will cut its government deficit to 4% of GDP for 2014 without introducing a further tax hike.

North America

Orders for long-lasting US manufactured goods posted their biggest gain on record in July on strong international demand for aircraft, but the underlying trend remained consistent with a steady pace of economic growth. Durable goods orders, items ranging from toasters to aircraft that are meant to last three years or more, jumped 22.6% last month after an upwardly revised 2.7% increase in June, the Commerce Department said.

South America

Brazil's outstanding loans grew in July at the slowest annual pace since March 2004, as the central bank continues to lower capital requirements to stimulate lending. Bank lending rose 11.4% to 2.8 trillion reais (US\$1.2 trillion) in the 12 months through July, the central bank said.

Oil & Gas News

Brent for October settlement was 10 cents higher at US\$102.60 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery rose to US\$1,282.61 an ounce at 9:32 a.m. in Singapore, from \$1,281.20 yesterday.

Aluminium for delivery in three months rose 0.1% to US\$2,084 a metric ton on the London Metal Exchange.

Currency News

The euro was little changed at US\$1.3165 as of 12:03 p.m. in Tokyo from yesterday.

The pound was little changed at US\$1.6573 at 4:28 p.m. London time after dropping as low as US\$1.6501 yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-Aug-14	1,281.10	3.93	102.78	26.15	1.65	2.07	1.25	0.86	9362.42	83.32	2.53	35.06	25.58	3,332.14
27-Aug-14	1,283.81	3.93	102.76	26.15	1.65	2.07	1.25	0.86	9369.44	83.05	2.53	35.04	25.54	3,340.34
% Change	0.21	0.00	-0.02		-0.05	0.13	-0.06	0.28	0.07	-0.32	-0.15	-0.05	-0.17	0.25

Economic & Financial News

Research & International Division

28/8/2014

*...Growth of Tax revenue from China's real estate sector slowed ...
... South Korean companies to introduce retirement pension schemes in phases by 2022 ...*

South East Asia

Thailand's economy is recovering but its exports remain weak, which it blamed on slow global recovery. Its exports in July fell 0.85% to US\$18.89 billion and for the seven-month period it was down 0.42% to US\$131.6 billion. The weak performance was due to lower export of gold, fuel, and also some agricultural and industrial products, mainly rubber and rubber products.

The overall sales of the services sector in Singapore rose by 2.8% y-o-y in the Q2, the Department of Statistics said. The growth was attributable to the strength of sectors such as health and social services and financial and insurance sectors. The health and social services sales increased by 8.2%, due mainly to hospitals registering higher receipts. The financial and insurance services grew by 4.5% and education 4.1%.

Philippines GDP expanded by 5.6% in the first three months, according to the Philippine Statistics Authority, ahead of the release today of results for the Q2. Growth came in at 7.5% in the April-June period last year. Growth was adjusted lower, it said, "due to downward revisions in transportation, storage, and communication; mining and quarrying; and financial intermediation."

Increasing vehicle ownership and investment projects in the Laos are expected to drive up fuel consumption by 10% in 2014. Lao Petroleum and Gas Group revealed that fuel consumption is projected to reach 1.1 billion liters this year, up by approximately 10% compared to last year.

North East Asia

The central bank of China has set aside another CNY20 billion (US\$3.24 billion) for a scheme designed to funnel credit into agriculture. The money has been allocated to a relending program, under which the central bank extends loans to commercial banks on the condition that they in turn lend to businesses in required sectors.

Growth of tax revenue from China's real estate sector slowed in the past seven months and so did government revenue from land transactions. The revenue growth of corporate income tax paid by real estate companies dropped from 27.4% in the first seven months of 2013 to 5.8% in the same period this year.

Japan's average retail price of regular gasoline as of 25th August 2014 fell ¥0.6 from a week before to ¥168.4 per liter, down for the sixth consecutive week, the Natural Resources and Energy Agency said. The drop reflected an easing of concerns about the Middle East situation and falls in crude oil prices.

All South Korean companies will be obliged to introduce retirement pension schemes for employees in phases by 2022 to complement public pensions and raise the income replacement rate for retirees, South Korea's Finance Ministry said.

South Korea extended its current surplus streak to a 29th consecutive month in July, helped by solid exports and a narrowing service account deficit. The current surplus came in at US\$7.91 billion last month, compared with US\$7.92 billion in June, according to the preliminary data by the Bank of Korea.

Australasia

New Zealand's economic recovery has peaked and the pace of growth is slowing, suggesting the central bank might hold interest rates for at least the next year. The economy grew strongly through the first half of this year and the growth rate was expected to hit 3.5% for the full year, before dipping to "a still respectable" 2.7% next year, according to the Quarterly Predictions of the New Zealand Institute of Economic Research (NZIER).

Middle East and North Africa

Algeria will launch a new five-year investment plan worth US\$262 billion to boost domestic production and move its economy away from reliance on oil and gas, the government said.

Tunisia's economic growth slowed to 2% y-o-y in the Q2 reflecting a broad-based slowdown, the state statistics institute said. The economy had expanded by 2.2% in the Q1 of 2014. The institute said Tunisia's economic growth rate slowed to 2.1% in the first half of 2014 compared to 2.5% in the first half of 2013.

The Moroccan government is endorsing a national project that privatizes the production of electricity in Morocco, due to the crisis of the National Office of Electricity and Water. This project aims to allow private sectors to produce electricity needed to satisfy the population through transferring needed megawatts.

Turkey's central bank yesterday kept its key interest rate steady, following warnings from markets that further cuts would be dangerous at a time of high inflation. The bank after its latest monetary policy meeting left the one week repurchase rate unchanged at 8.25, following a cut of half a percentage point in July.

Riyadh's industrial manufacturing sector showed solid performance over the last year up to the second quarter of 2014, as strong demand fundamentals combined with increased public and private sector spending pushed up the average sales price of manufacturing land in private industrial cities and average rental rates of dry-storage space.

Western Europe

The number of people without a job in France rose in July to yet another record in the latest setback to President Francois Hollande's efforts to get unemployment falling. The Labour Ministry said the jobless total in mainland France rose by 26,100 last month to 3,424,400, up 0.8% over one month and 4.3% over one year.

Foreign tourists spent €34.497 billion (US\$45.536 billion) in the first seven months of this year in Spain. The figure meant a 7% increase in comparison with the same period in 2013. Average daily spending per tourist stood at €109 euros in the first seven months of the year, increasing by 0.4% y-o-y.

The residential property prices in Ireland increased by 13.4% in the year of July. This compares with an increase of 12.5% in June and an increase of 2.3% recorded in the twelve months to July 2013. Dublin house prices rose 23.2% while rest of Ireland prices gained 4.9%.

North America

U.S. house prices remained on an upward track in the Q2 of 2014 while the momentum has slowed down, the Federal Housing Finance Agency (FHFA) reported. U.S. house prices increased 0.8% in the Q2 on a seasonally adjusted basis from the previous quarter, the 12th consecutive quarterly price increase, lower than the rise of 1.3% in the Q1.

South America

Prudent policy making in recent years has given Peru headroom to maintain accommodative monetary and fiscal policies as economic growth slows, providing a buffer for its 'BBB+/Stable' rating, Fitch Ratings said. Nevertheless, maintaining relatively rapid growth over the medium term will be important in further boosting per capita GDP and human development indicators, both areas where Peru lags ratings peers.

Oil & Gas News

WTI for October delivery was at \$93.86 a barrel on the NYME, down 2 cents, at 12:56 p.m. Sydney time.

Gasoline production rose 4% to 9.51 million barrels a day last week, the Energy Information Administration said.

Commodity News

Bullion for immediate delivery added 0.3% to \$1,286.30 an ounce by 11:12 a.m. in Singapore.

Copper for delivery in three months on the London Metal Exchange both rose and fell by 0.2% before trading at \$7,031.50 a metric ton by 11:02 a.m. in Tokyo.

Currency News

The Australian currency rose 0.3% to 93.62 U.S. cents as of 10:46 a.m. in Tokyo after earlier touching 93.72, the strongest since Aug. 6.

The ringgit was little changed at 3.1455 per dollar as of 10:14 a.m. in Kuala Lumpur.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
27-Aug-14	1,283.81	3.93	102.76	26.15	1.65	2.07	1.25	0.86	9369.44	83.05	2.53	35.04	25.54	3,340.34
28-Aug-14	1,285.94	4.00	102.72	25.68	1.64	2.07	1.25	0.86	9373.83	83.28	2.53	35.00	25.56	3,353.83
% Change	0.17	1.78	-0.04	-0.46	-0.39	-0.15	-0.11	0.05	0.27	-0.15	-0.12	0.07	0.40	

Economic & Financial News

Research & International Division

30/8/2014

*...Eurozone unemployment rate at 11.6% in July ...
... Singapore total bank lending lower in July...*

South East Asia

All Singaporean civil service officers on the non-graduate schemes will receive a pay bump of about 5% from this month, as part of salary adjustments made after the Public Service Division's (PSD) annual review to keep pace with private sector wages.

The Philippine government's budget deficit narrowed by 97% in July to P1.8 billion from a year ago, after public spending dropped 15% during the month. The contraction in deficit was brought by the improved revenue collection, but data also showed it was led by a contraction in expenditures.

The total bank lending in Singapore in July amounted to SG\$597.4 billion (US\$477.9 billion). This is slightly lower than the SG\$597.7 billion in June. However, on a y-o-y basis, the total bank lending in July went up 10.8%.

The retail prices of gasoline in Vietnam fell by around 2% yesterday, the third consecutive drop in gas prices this month. The Ministry of Finance and the Ministry of Industry and Trade attributed the change to a downward global trend.

North East Asia

Japan's July consumer prices were up 3.3% from a year earlier, gaining for the 14th straight month. The core consumer price index, which excludes volatile fresh food prices, stood at 103.5 against the 2010 base of 100.

Japan's jobless rate skipped to 3.8% in July, up from the read of 3.7% in the previous month. Meanwhile, another data said that the ratio of employment offers to seekers stayed at 1.10 in July, flat from June.

Japan's July industrial output was up a seasonally adjusted 0.2% from the previous month. The index of output at factories and mines stood at 96.8 against the base of 100 in 2010. The index of industrial shipments gained 0.7% to 95.9.

South Korea will raise the minimum cost of living for a four-member household by 2.3% to ₩1.67 million (US\$1,644) per month next year in a bid to increase support for low-income earners.

South Korea's industrial output grew in mining, manufacturing, gas and electricity industries by 1.1% last month from June. This followed a revised 2.6% gain a month earlier.

Australasia

The number of new home consents in New Zealand hit a six-year high last month, prompting the government to declare that policies to free up land and speed up development are alleviating the country's housing affordability problems. The number of consents rose by 0.1% last month to 2,282, the highest monthly total since April 2008.

Indian Sub-Continent

India's lumbering economy registered its fastest growth in two-and-a-half years for the quarter ended June. The GDP grew at 5.7% compared with a provisional 4.6% expansion in the previous three months and a 4.7% growth in the Q1 of 2013-14.

Middle East and North Africa

Turkey's trade deficit narrowed by 24% to US\$46.068 billion throughout the January-July period. The deficit shrank to US\$6.46 billion in July from US\$9.91 billion a year earlier. The trade deficit was US\$7.85 billion in June.

Iran's non-oil trade turnover (including condensates) surpassed US\$41.62 billion during the 5-month period from March 21, indicating 32% increase compared to the country's US\$31.5 billion foreign trade in same period of preceding year (Iran's fiscal year starts on March 21).

Western Europe

The Eurozone's seasonally adjusted unemployment rate was 11.6% in July, stable compared with June. It fell slightly from 11.9% in July 2013. Meanwhile, the 28-member EU unemployment rate was 10.2% in July, also stable on a monthly basis, but down 10.9% y-o-y.

German retail sales in July posted the biggest monthly decline in real terms since January 2012. Retail sales in July fell 1.4% compared with the previous

month in real, calendar and seasonally adjusted terms. On an annual basis, retail sales were up 0.7% in real terms in July.

Germany's unemployment rose slightly to 6.7% in August, 0.1% higher than it was in July. Compared with July, the unemployment figure in August rose by 30,000 to 2.902 million, which were 44,000 less y-o-y.

British house prices increased 0.8% through August. The growth rate was higher than the 0.2% rise in July. British average house prices were £189,306, recording the 16th monthly increase. Compared to a year earlier, house prices were 11% higher.

Spain is once again the country with the highest rate of under 25s without a job, accounting for a worrying quarter of all jobless youths in the Eurozone, after nearly three years trailing Greece in the European Union's youth unemployment rankings. July's Eurostat figures showed 53.8% of young people in Spain did not have a job compared to 53.1% for Greece in May.

The Spanish economy grew 0.6% in the Q2 from the Q1 at its fastest quarterly rate since before the financial crisis. After six years of crippling economic downturn marked by soaring unemployment, Spain has begun to recover as labour market reforms gain traction and the state's funding costs continue to fall.

Italy's unemployment rate rose in July to 12.6% from 12.3% the previous month. The overall employment rate dropped slightly to 55.6% in July from 55.7% in June. Unemployment in Italy, which slid into a triple-dip recession in the Q2 of this year, has been rising steadily since early 2011, when it was below 8%.

Italy's inflation rose 0.2% from July, but dropped 0.1% from the corresponding month last year. The y-o-y drop in August was the first since September 1959, when it slipped 1.1%. The annual decline was led by drops in the prices of energy, communications, food and non-alcoholic drinks.

Portugal's unemployment rate dropped the most among Eurozone countries. The debt-laden country's unemployment rate dropped from 16.3% in July 2013 to 14% in July this year. According to the figures, in the space of a year the number of unemployed people dropped by 125,000.

Ireland's residential property prices nationwide rose by 2% in July. This compares with an increase of 2.9% recorded in June and an increase of 1.2% recorded in July of last year, the Central Statistics Office (CSO) said.

North America

Consumer spending in the US fell unexpectedly in July for the first time in six months. Household purchases decreased 0.1% after increasing 0.4% in June, according to Commerce Department.

Strong consumer spending and a jump in exports helped the Canadian economy bounce back from a weather-restrained Q1, with annualized growth of 3.1% in the Q2 after a downwardly revised 0.9% in the first.

Canada registered a CA\$1.57 billion budget surplus in June, which moved the first three months of the fiscal year into surplus as well, with revenues up and program expenses down. June's surplus compares with a CA\$157 million surplus in June 2013. April to June is now in the black by CA\$424 million, compared with a CA\$2.55 billion deficit for the same period in 2013.

South America

Brazil's faltering economy fell into a technical recession in the first half of the year. GDP shrank 0.6% in the Q2 compared with the previous three months and first quarter data was revised to a 0.2% contraction. Brazil's industrial activity fell 1.5% in the quarter and investment dropped 5.3% compared with the Q1 of the year.

Brazil's central government posted a primary budget deficit of 2.197 billion reais (US\$979.93 million) in July, the country's Treasury said, its worst result for the month since it started collecting the data in 1997.

Chilean manufacturing output fell in July, while retail sales rose the least since 2009, fueling forecasts for further interest rate cuts. Manufacturing contracted 4.1% from the year earlier, the National Statistics Institute said. Retail sales gained 1.5% over the same period.

Oil & Gas News

WTI for October delivery advanced \$1.41, or 1.5%, to \$95.96 a barrel on the NYME.

Currency News

The euro fell 0.4% to \$1.3132 as of 5 p.m. in New York, down 0.8% this week.

The ringgit climbed 0.3% this week to 3.1520, and gained 1.39% in August.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
28-Aug-14	1,285.94	4.00	102.72	25.68	1.64	2.07	1.25	0.86	9373.83	83.28	2.53	35.00	25.56	3,353.83
30-Aug-14	1,287.32	4.07	103.19		1.65	2.07	1.25	0.86	9371.19	83.10	2.53	34.96	25.58	3,327.09
% Change	0.11	1.75	0.46		0.20	0.24	0.06	-0.38	-0.03	-0.21	0.08	-0.10	0.11	-0.80